

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

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In re:	:	Chapter 11
	:	
Birch Telecom, Inc., <i>et al.</i> ,	:	Case No. 05-12237 (PJW)
	:	(Jointly Administered)
Debtors.	:	
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**THIRD AMENDED JOINT REORGANIZATION PLAN
OF BIRCH TELECOM, INC. AND ITS SUBSIDIARIES**

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INTRODUCTION

Birch Telecom, Inc., Birch Telecom 1996, Inc., Ionex Communications, Inc., Ionex Communications North, Inc., Ionex Communications South, Inc., Ionex Telecommunications Leasing Inc., Telecom Resources, Inc., Birch Equipment, Inc., Birch Internet Services, Inc., Birch Kansas Holdings, Inc., Birch Management Corporation, Birch Telecom Finance, Inc., Birch Telecom of Arkansas, Inc., Birch Telecom of Kansas, Inc., Birch Telecom of Missouri, Inc., Birch Telecom of Nebraska, Inc., Birch Telecom of Oklahoma, Inc., Birch Texas Holdings, Inc., Birch Telecom of the Great Lakes, Inc., Birch Telecom of the South, Inc., Birch Telecom of the West, Inc., Capital Communications Corporation, Dunn & Associates, Inc., I.S. Advertising, Inc., Telesource Communications, Inc., American Local Telecommunications L.L.C., Birch Telecom of Texas Ltd., L.L.P., G.B.S. Communications, Inc. and M.B.S. Leasing, Inc. jointly propose the following joint plan of reorganization under chapter 11 of the Bankruptcy Code (as defined below).

ARTICLE I.

DEFINITIONS, RULES OF INTERPRETATION AND COMPUTATION OF TIME

A. Scope of Definitions; Rules of Construction

Except as expressly provided or unless the context otherwise requires, capitalized terms not otherwise defined in this Plan shall have the meanings ascribed to them in this Article I. Any term used in the Plan that is not defined herein, but is defined in the Bankruptcy Code or the Bankruptcy Rules (as defined below), shall have the meaning ascribed to it therein. Where the context requires, any definition applies to the plural as well as the singular number.

B. Definitions

1.1 "Administrative Claim" means a Claim for payment of an administrative expense of a kind specified in section 503(b) or 1114(e)(2) of the Bankruptcy Code and entitled to priority under section 507(a)(1) or 507(b) of the Bankruptcy Code, including, (a) the actual, necessary costs and expenses, incurred after the Petition Date, of preserving the Debtors' Estates and operating their businesses, including wages, salaries or commissions for services rendered after the Petition Date, (b) Professional Fee Claims, (c) all fees and charges assessed against the Estates under 28 U.S.C. § 1930 and (d) all Allowed Claims that are entitled to be treated as Administrative Claims pursuant to a Final Order entered under section 546(c)(2)(A) of the Bankruptcy Code.

1.2 "Agent" means Bank of America, N.A., as agent under the Credit Agreement.

1.3 "Allowed" means, when used in reference to a Claim within a particular Class, an Allowed Claim of the type described in such Class.

1.4 "Allowed Claim" means a Claim or any portion thereof (a) that has been allowed by (i) a Final Order or (ii) by an agreement between the holder of such Claim and the Debtors, the Reorganized Debtors or the Class 4 Creditor Trust Trustee, as applicable, (b) that either (i) has been Scheduled as a liquidated, noncontingent, and undisputed Claim in an amount greater than zero on the Schedules and not otherwise superseded by a Proof of Claim, or (ii) is the subject of a timely filed Proof of Claim or request for payment of an Administrative Claim (if required), as applicable, as to which either (A) no objection to its allowance has been filed (either by way of objection or amendment to the Schedules) within the periods of limitation fixed by the Bankruptcy Code or by any order of the Bankruptcy Court or (B) any objection to its allowance has been settled, waived through payment, or withdrawn, or has been denied by a Final Order, or (c) that is allowed pursuant to the provisions of the Plan. "Allowed Claim" shall not, for purposes of computing distributions under the Plan, include interest on such Claim accruing from or after the Petition Date, except otherwise expressly provided for in the Plan.

1.5 "Alternative Transaction" has the meaning ascribed to such term in Article II.A.17.

1.6 "Assigned Avoidance Actions" means the Avoidance Actions that are specifically listed on Schedule 2 hereto that shall be transferred to the Plan Trust in the event that the Lender Settlement is not approved by the Bankruptcy

Court which schedule may be amended by the Debtors, with the consent of the Lenders, through any time prior to the Confirmation Date; *provided, however*, that "Assigned Avoidance Actions" shall not include any Causes of Action that are settled, released or enjoined under the Plan.

1.7 "Available Class 4 Creditor Trust Cash" means any Cash remaining in the Class 4 Creditor Trust after deducting or reserving for the Class 4 Creditor Trust Expenses and Disputed Class 4 General Unsecured Claims.

1.8 "Available Class 4 Settlement Cash" means any Cash remaining in the Class 4 Settlement Account after deducting or reserving for Estate Representative Expenses and Disputed Class 4 General Unsecured Claims.

1.9 "Available Deficiency Claim Trust Cash" means any Cash remaining in the Deficiency Claim Trust after deducting or reserving for the Deficiency Claim Trust Expenses.

1.10 "Avoidance Actions" means Causes of Action against Persons arising under any of sections 502, 510, 541, 542, 543, 545, 547 through 551 and 553 of the Bankruptcy Code, or under related state or federal statutes and common law, including fraudulent transfer laws, whether or not litigation is commenced to prosecute such Avoidance Actions.

1.11 "Bankruptcy Code" means the Bankruptcy Reform Act of 1978, as codified in title 11 of the United States Code, 11 U.S.C. §§ 101-1330, as now in effect or hereafter amended.

1.12 "Bankruptcy Court" means the United States Bankruptcy Court for the District of Delaware or any other court with jurisdiction over the Chapter 11 Case.

1.13 "Bankruptcy Rules" means, collectively, the Federal Rules of Bankruptcy Procedure, the Official Bankruptcy Forms, the Federal Rules of Civil Procedure and the Local Rules of Bankruptcy Practice and Procedure of the United States Bankruptcy Court for the District of Delaware, as now in effect or hereafter amended, as applicable to the Chapter 11 Case or proceedings therein, as the case may be.

1.14 "Bar Date" means any date(s) designated by the Bankruptcy Court as the last date(s) for filing Proofs of Claim in the Chapter 11 Case.

1.15 "Birch" means Birch Telecom, Inc., a Delaware corporation.

1.16 "Business Day" means any day, excluding Saturdays, Sundays or "legal holidays" (as defined in Bankruptcy Rule 9006(a)), on which commercial banks are open for business in New York, New York.

1.17 "Cash" means legal tender of the United States of America or equivalents thereof.

1.18 "Cash Collateral Order" means the order of the Bankruptcy Court entered on October 12, 2005, as amended, in the Chapter 11 Case authorizing and approving the Debtors' use of cash collateral under the Credit Agreement.

1.19 "Causes of Action" means any and all actions, proceedings, causes of action, suits, accounts, controversies, agreements, promises, rights to legal remedies, rights to equitable remedies, rights to payment and claims, whether known, unknown, reduced to judgment, not reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, secured or unsecured and whether asserted or assertable directly or derivatively, in law, equity or otherwise.

1.20 "Chapter 11 Case" means the jointly administered Chapter 11 cases of Birch, Birch Telecom 1996, Inc., Ionex Communications, Inc., Ionex Communications North, Inc., Ionex Communications South, Inc., Ionex Telecommunications Leasing Inc., Telecom Resources, Inc., Birch Equipment, Inc., Birch Internet Services, Inc., Birch Kansas Holdings, Inc., Birch Management Corporation, Finance, Birch Telecom of Arkansas, Inc., Birch Telecom of Kansas, Inc., Birch Telecom of Missouri, Inc., Birch Telecom of Nebraska, Inc., Birch Telecom of Oklahoma, Inc., Birch Texas Holdings, Inc., Birch Telecom of the Great Lakes, Inc., Birch Telecom of the South, Inc., Birch Telecom of the West, Inc., Capital Communications Corporation, Dunn & Associates, Inc., I.S. Advertising, Inc., Telesource Communications, Inc., American

Local Telecommunications L.L.C., Birch Telecom of Texas Ltd., L.L.P., G.B.S. Communications, Inc. and M.B.S. Leasing, Inc.

- 1.21 "Claim" means a claim, as defined in section 101(5) of the Bankruptcy Code, against a Debtor.
- 1.22 "Claims Objection Deadline" means the last day for filing objections to Claims and amendments to the Schedules, which day shall be no later than ninety (90) days after the later of (i) the Consummation Date, (ii) the date on which the applicable Proof of Claim is filed, subject to any extensions granted pursuant to further order(s) of the Bankruptcy Court.
- 1.23 "Class" means one of the classes of Claims or Interests listed in Article IV. below.
- 1.24 "Class 4 Creditor Trust" means the trust that is created pursuant to Articles II.A and V.D of the Plan.
- 1.25 "Class 4 Creditor Trust Agreement" means that certain trust agreement which is to govern the Class 4 Creditor Trust, substantially in the form attached as Exhibit E hereto (filed as part of the Plan Supplement), pursuant to which, among other things, the Class 4 Creditor Trust Assets shall be liquidated and distributed to the holders of Allowed General Unsecured Claims in a manner consistent with the terms of the Plan.
- 1.26 "Class 4 Creditor Trust Assets" means the assets of the Class 4 Creditor Trust including (i) the Class 4 Creditor Trust Payment and (ii) the Creditor Trust Action, and any and all proceeds of the foregoing, *provided, however*, that "Class 4 Creditor Trust Assets" shall not include any Causes of Actions that are settled, released or enjoined under the Plan.
- 1.27 "Class 4 Creditor Trust Expenses" means all reasonable compensation of the Class 4 Creditor Trust Trustee, and all reasonable costs, expenses and fees incurred by the Class 4 Creditor Trust Trustee in the performance of its duties under the Class 4 Creditor Trust Agreement and the Plan, including compensation, fees and costs of all professionals, consultants, agents and employees retained or to be retained by the Class 4 Creditor Trust Trustee.
- 1.28 "Class 4 Creditor Trust Payment" means (i) in the event that the Lender Settlement is approved by the Bankruptcy Court, and the Committee objects to the Plan and/or does not affirmatively support the Plan and recommend (in a manner reasonably agreeable to the Debtors and the Lenders) that holders of General Unsecured Claims and holders of Convenience Claims vote to accept the Plan, the Cash payment in the amount of \$1,650,000 to be made by the Debtors to the Class 4 Creditor Trust pursuant to Articles II.A and IV.C.5 of the Plan or (ii) in the event that the Lender Settlement is not approved by the Bankruptcy Court, the Cash payment in the amount of \$50,000 to be made by the Debtors to the Class 4 Creditor Trust pursuant to Article V.D.2 of the Plan.
- 1.29 "Class 4 Creditor Trust Recoveries" means in the event that the Lender Settlement is not approved by the Bankruptcy Court, any and all proceeds (if any) received by the Class 4 Creditor Trust from the prosecution, settlement or other compromise or final resolution of the Creditor Trust Action. "Class 4 Creditor Trust Recoveries" (if any) may include some or all of the New Equity and the New Promissory Note under the New Secured Credit Agreement.
- 1.30 "Class 4 Creditor Trust Trustee" means the trustee of the Class 4 Creditor Trust to be appointed pursuant to Articles II.A and V.D of the Plan.
- 1.31 "Class 4 Settlement Account" means a segregated escrow account to be maintained by Reorganized Birch into which the Debtors shall transfer the Class 4 Settlement Payment on the Consummation Date if the Committee Settlement occurs and the Lender Settlement is approved. None of the Reorganized Debtors, Agent or Lenders shall have any interest (or assert any security interest in or lien against) the Class 4 Settlement Payment or the Class 4 Settlement Account and shall not have any right to transfer, encumber, or otherwise use the Settlement payment or the Escrow Account, except that Reorganized Birch, when and as instructed by the Estate Representative, shall make (i) payments to holders of Allowed General Unsecured Claims and (ii) payments in satisfaction of Estate Representative Expenses.
- 1.32 "Class 4 Settlement Fund" means the proceeds of the Class 4 Settlement Payment in the Class 4 Settlement Account that shall be used to pay (i) distributions to holders of Allowed Class 4 General Unsecured Claims (excluding

Convenience Claims), (ii) compensation of the Estate Representative and (iii) professional fee costs and expenses incurred by the Estate Representative following the Consummation Date in connection with reconciling, liquidating and seeking allowance/disallowance of Disputed Class 4 General Unsecured Claims, if the Committee Settlement occurs and the Lender Settlement is approved.

1.33 "Class 4 Settlement Payment" means the Cash payment in the amount of \$2 million to be made and transferred by the Debtors into the Class 4 Settlement Account on the Consummation Date, if the Committee Settlement occurs and the Lender Settlement is approved.

1.34 "Collateral" means any property or interest in property of an Estate subject to a lien to secure the payment or performance of a Claim, which lien is not subject to avoidance under the Bankruptcy Code or otherwise invalid under the Bankruptcy Code or applicable state law.

1.35 "Committee" means the official committee of unsecured creditors for the Debtors, appointed by the United States Trustee in the Chapter 11 Case under section 1102(a) of the Bankruptcy Code, as reconstituted from time to time.

1.36 "Committee Settlement" means that, as of the Consummation Date, the Committee has not objected to the Plan and has affirmatively supported the Plan and recommended (in a manner reasonably agreeable to the Debtors and the Lenders) that holders of General Unsecured Claims and holders of Convenience Claims vote to accept the Plan.

1.37 "Confirmation Date" means the date of entry of the Confirmation Order on the docket of the Bankruptcy Court.

1.38 "Confirmation Hearing" means the Bankruptcy Court's hearing to consider confirmation of the Plan, as such hearing may be adjourned or continued from time to time.

1.39 "Confirmation Order" means the Bankruptcy Court's order confirming the Plan under section 1129 of the Bankruptcy Code.

1.40 "Consummation Date" means the first Business Day on which all conditions to the consummation of the Plan set forth in Article XI.B have been satisfied or waived, which will be the effective date of the Plan.

1.41 "Convenience Claim" means a General Unsecured Claim (i) in an amount equal to or less than \$500 or (ii) in an amount in excess of \$500 and as to which the holder thereof has elected to reduce such claim to \$500.

1.42 "Credit Agreement" means (i) the Second Amended and Restated Credit Agreement, dated as of September 30, 2002, among Finance, the borrower, Birch, and Bank of America, N.A., as Administrative Agent, and the Lenders thereunder, as amended, modified and/or supplemented as of the Petition Date, (ii) the Guarantee and Collateral Agreement, Mortgages and the Notes (each as defined in the Second Amended and Restated Credit Agreement dated as of September 30, 2002), and (iii) such other security agreements, pledge agreements or similar agreements or instruments as were executed and delivered pursuant to the Second Amended and Restated Credit Agreement dated as of September 30, 2002, and all Uniform Commercial Code financing statements required thereby that were filed, or other filings and/or registrations that were made or obtained, as the case may be, with respect to the security interests in personal property, real property and fixtures created pursuant to any of the foregoing agreements.

1.43 "Credit Agreement Guarantee Secured Claims" means, individually, a Secured Claim of the Agent or any Lender against a Guarantor Debtor arising on account of the guarantee obligations of that Guarantor Debtor under the Credit Agreement and the Guarantee and Collateral Agreement and, collectively, the Secured Claims of the Agent and the Lenders against the Guarantor Debtors arising on account of the guarantee obligations of the Guarantor Debtors under the Credit Agreement and the Guarantee and Collateral Agreement.

1.44 "Creditor Trust Action" means Estate Claims or Causes of Action against the Lenders and the Agent, or any of them, that exist or might be asserted (if any), including, without limitation, any actions seeking to challenge the validity, extent, priority, avoidability or enforceability of the Claims or Liens of the Lenders. The Confirmation Order shall establish a

schedule to ensure that any trial of the Creditor Trust Action, if asserted, shall be concluded no later than the first anniversary of the Consummation Date.

1.45 "Cure" means the payment of Cash by a Debtor, or the distribution of other property (as the parties may agree or the Bankruptcy Court may order), as necessary to cure defaults under an executory contract or unexpired lease of a Debtor and to permit a Debtor to assume that contract or lease under section 365(a) of the Bankruptcy Code.

1.46 "D&O Claim" means any Claim arising from the Debtors' indemnification obligations under their constituent documents or other written agreements and/or pursuant to applicable general corporation law or other applicable business organization law, including Claims arising from Debtor obligations described in Article VIII.G.

1.47 "Debtor" means each of Birch, Birch Telecom 1996, Inc., Ionex Communications, Inc., Ionex Communications North, Inc., Ionex Communications South, Inc., Ionex Telecommunications Leasing Inc., Telecom Resources, Inc., Birch Equipment, Inc., Birch Internet Services, Inc., Birch Kansas Holdings, Inc., Birch Management Corporation, Finance, Birch Telecom of Arkansas, Inc., Birch Telecom of Kansas, Inc., Birch Telecom of Missouri, Inc., Birch Telecom of Nebraska, Inc., Birch Telecom of Oklahoma, Inc., Birch Texas Holdings, Inc., Birch Telecom of the Great Lakes, Inc., Birch Telecom of the South, Inc., Birch Telecom of the West, Inc., Capital Communications Corporation, Dunn & Associates, Inc., I.S. Advertising, Inc., Telesource Communications, Inc., American Local Telecommunications L.L.C., Birch Telecom of Texas Ltd., L.L.P., G.B.S. Communications, Inc. and M.B.S. Leasing, Inc. in its capacity as a debtor and debtor-in-possession under sections 1107 and 1108 of the Bankruptcy Code, and "Debtors" means all of them collectively, and when the context so requires, as post-confirmation entities reorganized hereunder.

1.48 "Deficiency Claim Trust" means the trust that shall be (i) created pursuant to Articles II.A and V.E of the Plan in the event that the Lender Settlement is approved by the Bankruptcy Court, and the Committee objects to the Plan and/or does not affirmatively support the Plan and recommend (in a manner reasonably agreeable to the Debtors and the Lenders) that holders of General Unsecured Claims and holders of Convenience Claims vote to accept the Plan, and (ii) administered by the Deficiency Claim Trust Trustee all as more specifically set forth in the Plan and Deficiency Claim Trust Agreement.

1.49 "Deficiency Claim Trust Agreement" means that certain trust agreement which is to govern the Deficiency Claim Trust, substantially in the form attached as Exhibit F hereto (filed as part of the Plan Supplement), pursuant to which, among other things, the Deficiency Claim Trust Assets shall be liquidated and distributed to the holders of Allowed Lender Deficiency Claims in a manner consistent with the terms of this Plan.

1.50 "Deficiency Claim Trust Assets" means the assets of the Deficiency Claim Trust including the Deficiency Claim Trust Payment and the Reserved Avoidance Actions in the event that the Lender Settlement is approved by the Bankruptcy Court, and any and all proceeds of the foregoing; *provided, however*, that "Deficiency Claim Trust Assets" shall not include any Causes of Action that are settled, released or enjoined under the Plan.

1.51 "Deficiency Claim Trust Expenses" means all reasonable costs, expenses and fees incurred by the Deficiency Claim Trust Trustee in the performance of its duties under the Deficiency Claim Trust Agreement and the Plan, including compensation, fees and costs of all professionals, consultants, agents and employees retained or to be retained by the Deficiency Claim Trust Trustee.

1.52 "Deficiency Claim Trust Payment" means the Cash payment in the amount of \$50,000 to be made by the Debtors to the Deficiency Claim Trust pursuant to Articles II.A and V.E.2 of the Plan.

1.53 "Deficiency Claim Trust Recoveries" means any and all proceeds received by the Deficiency Claim Trust from the prosecution, settlement or other compromise of the Reserved Avoidance Actions.

1.54 "Deficiency Claim Trust Trustee" means the trustee of the Deficiency Claim Trust.

1.55 "Disallowed Claim" means a Claim or any portion thereof that (a) has been disallowed by a Final Order, (b) is Scheduled at zero or as contingent, disputed, or unliquidated and as to which a Bar Date has been established but no Proof

of Claim has been filed or deemed timely filed with the Bankruptcy Court pursuant to either the Bankruptcy Code or any Final Order or under applicable law, (c) is not Scheduled and as to which a Bar Date has been established but no Proof of Claim has been filed or deemed timely filed with the Bankruptcy Court pursuant to either the Bankruptcy Code or any Final Order or under applicable law, or (d) is disallowed in accordance with the provisions of the Plan.

1.56 "Disbursing Agent" means Reorganized Birch or any party designated by Reorganized Birch, in its sole discretion, to serve as disbursing agent under the Plan.

1.57 "Disclosure Statement" means the written disclosure statement that relates to the Plan, as amended, supplemented or modified from time to time, and that is prepared and distributed in accordance with sections 1125 and 1126 of the Bankruptcy Code and Bankruptcy Rule 3018.

1.58 "Disputed _____ Claim" means a Disputed Claim in the Class or category specified.

1.59 "Disputed Claim" means any Claim, or any portion thereof, that is not an Allowed Claim or a Disallowed Claim.

1.60 "Disputed Claim Amount" means the lesser of (a) the liquidated amount set forth in the Proof of Claim relating to a Disputed Claim, (b) the amount estimated by the Bankruptcy Court for purposes of distributions in respect of such Disputed Claim in accordance with section 502(c) of the Bankruptcy Code pursuant to Article VII.C. of the Plan, and (c) the amount of such Disputed Claim allowed by the Bankruptcy Court pursuant to section 502 of the Bankruptcy Code, or zero, if such Disputed Claim is disallowed in its entirety by the Bankruptcy Court pursuant to such section, in either case, regardless of whether the order or judgment allowing or disallowing such Claim has become a Final Order; *provided, however*, that in the event a Claim has been disallowed, but the order of disallowance has not yet become a Final Order, the Bankruptcy Court may require the Estate Representative to reserve, and hold in trust for the benefit of such General Unsecured Claim, Cash in an amount equal to the Pro Rata distributions which the Bankruptcy Court, in its discretion, determines will protect the rights of such holder under all of the facts and circumstances relating to the order of disallowance and the appeal of such holder from such order.

1.61 "Disputed Claims Reserve" means the reserve of Cash established and maintained for the holders of General Unsecured Claims on account of Disputed General Unsecured Claims.

1.62 "Distribution Date" means, when used with respect to any Claim, (i) the Consummation Date (or as soon thereafter as practicable), if such Claim is then an Allowed Claim, (ii) the first Business Day occurring three (3) full months after the immediately preceding Distribution Date after such Claim becomes an Allowed Claim, if such Claim is not an Allowed Claim on the Consummation Date and (iii) such other dates that the Reorganized Debtors, the Estate Representative, the Class 4 Creditor Trust Trustee, the Plan Trust Trustee or the Deficiency Claim Trust Trustee, as applicable, determines in its reasonable discretion that distributions should be made to holders of Allowed Claims in accordance with the Plan.

1.63 "Distribution Record Date" means the record date for purposes of making distributions under the Plan on account of Allowed Claims, which date shall be the fifth (5th) Business Day after the Confirmation Date at 5:00 p.m. prevailing Eastern time.

1.64 "Estate" means the estate of any of the Debtors in the Chapter 11 Case, as created under section 541 of the Bankruptcy Code.

1.65 "Estate Representative" means the Person selected by the Committee and appointed as of the Consummation Date pursuant to Article V.K of the Plan to administer the allowance and disallowance of General Unsecured Claims and Convenience Claims and any objections thereto on and after the Consummation Date, and to direct Reorganized Birch to make payments from the Class 4 Settlement Account to holders of Allowed General Unsecured Claims and Allowed Convenience Claims, if the Committee Settlement occurs and the Lender Settlement is approved; *provided, however*, that the Debtors and Lenders may select and seek appointment of one or more Estate representatives for all other purposes

1.66 "Estate Representative Expenses" means all reasonable compensation of the Estate Representative, and all reasonable costs, expenses and fees incurred by the Estate Representative in the performance of its duties under the Plan, including compensation, fees and costs of all professionals, consultants, agents and employees retained or to be retained by the Estate Representative.

1.67 "Estates" means, collectively, the estates of all the Debtors in the Chapter 11 Case, as created under section 541 of the Bankruptcy Code.

1.68 "Existing Credit Facility" means the Credit Agreement and all other documents and instruments executed in connection therewith evidencing the rights and security interests of the Agent and the Lenders.

1.69 "Final Order" means an order or judgment, entered by the Bankruptcy Court or other court of competent jurisdiction, that has not been amended, modified or reversed, and as to which (i) no stay is in effect, (ii) the time to seek rehearing or file a notice of appeal has expired and (iii) no appeal or request for a stay or other review is pending.

1.70 "Finance" means Birch Telecom Finance, Inc., a Delaware corporation.

1.71 "Finance Lender Secured Claims" means individually, a Secured Claim of the Agent or any Lender against Finance under the Credit Agreement and, collectively, the Secured Claims of the Agent and the Lenders against Finance under the Credit Agreement, including Secured Claims for principal, accrued but unpaid interest, fees and expenses through the Petition Date.

1.72 "General Unsecured Claim" means a Claim in an amount greater than \$500 that is not an Administrative Claim, Priority Tax Claim, Other Priority Claim, Lender Deficiency Claim, Finance Lender Secured Claim, Credit Agreement Guarantee Secured Claim, Other Secured Claim, Intercompany Claim, or Subordinated Claim.

1.73 "Guarantee and Collateral Agreement" means the Second Amended and Restated Guarantee and Collateral Agreement, dated as of September 30, 2002, among Birch, Finance, Birch Telecom 1996, Inc., Ionex Communications, Inc., Ionex Communications North, Inc., Ionex Communications South, Inc., Ionex Telecommunications Leasing Inc., Telecom Resources, Inc., Birch Equipment, Inc., Birch Internet Services, Inc., Birch Kansas Holdings, Inc., Birch Management Corporation, Birch Telecom of Arkansas, Inc., Birch Telecom of Kansas, Inc., Birch Telecom of Missouri, Inc., Birch Telecom of Nebraska, Inc., Birch Telecom of Oklahoma, Inc., Birch Texas Holdings, Inc., Birch Telecom of the Great Lakes, Inc., Birch Telecom of the South, Inc., Birch Telecom of the West, Inc., Capital Communications Corporation, Dunn & Associates, Inc., I.S. Advertising, Inc., Telesource Communications, Inc., American Local Telecommunications L.L.C., Birch Telecom of Texas Ltd., L.L.P., G.B.S. Communications, Inc., M.B.S. Leasing, Inc. and Bank of America, N.A., as Administrative Agent.

1.74 "Guarantor Debtor" means each of the Debtors, other than Finance, and "Guarantor Debtors" means all of them collectively.

1.75 "Impaired" means, when used with reference to a Claim or Interest, a Claim or Interest that is impaired within the meaning of section 1124 of the Bankruptcy Code.

1.76 "Intercompany Claim" means a Claim of Birch or any direct or indirect subsidiary of Birch against any Debtor.

1.77 "Interest" means the legal, equitable, contractual and other rights of any Person (including any 401(k) plan or plan participant) with respect to Old Birch Common Stock, Old Birch Series A Preferred Stock, Old Subsidiary Equity or any Other Equity Rights of any Debtor, whether or not transferable, and the legal, equitable, contractual or other rights of any Person to acquire or receive any of the foregoing.

1.78 "KERP Orders" means collectively, the order of the Bankruptcy Court entered on September 30, 2005 authorizing the implementation of an employee severance plan and the order of the Bankruptcy Court entered on October 28, 2005 authorizing the implementation of key employee retention bonus plans.

1.79 "Lender Claims" means collectively, the Finance Lender Secured Claims, the Credit Agreement Guarantee Secured Claims and the Lender Deficiency Claims.

1.80 "Lender Deficiency Claims" means any Claim arising under the Credit Agreement or the Guarantee and Collateral Agreement that is not a Secured Claim.

1.81 "Lender Secured Claims" means collectively, the Finance Lender Secured Claims and the Credit Agreement Guarantee Secured Claims.

1.82 "Lender Settlement" has the meaning ascribed to such term in Article II.A hereof.

1.83 "Lender Steering Committee" means the unofficial committee formed prior to the Petition Date, which committee is comprised of the Agent, Strategic Value Partners, LLC and Bond Street Capital LLC; *provided, however*, that any such entity shall be considered a member of the Lender Steering Committee only to the extent that such entity is a Lender on or prior to the Confirmation Date.

1.84 "Lenders" means the entities identified as "Lenders" under the Credit Agreement and their respective successors and assigns who became "Lenders" under the Credit Agreement.

1.85 "Lien" means a charge against or interest in property to secure payment of a debt or performance of an obligation.

1.86 "Management Incentive Plans" means the management incentive plans to be adopted by Reorganized Birch after the Consummation Date pursuant to Article V.C.1 hereof.

1.87 "Manager" means a manager of a limited liability company.

1.88 "New Agent" means Bank of America, N.A., as agent under the New Secured Credit Agreement.

1.89 "New Common Stock" means the 10,000 shares of common stock of Reorganized Birch, \$0.01 par value, authorized under Article V.C.1 of the Plan and the Reorganized Birch Certificate of Incorporation as of the Consummation Date.

1.90 "New Equity" means the shares of New Common Stock representing 100% of the equity of Reorganized Birch after provision for management incentive equity.

1.91 "New Guarantee and Collateral Agreement" means that certain guarantee and collateral agreement to be entered into as of the Consummation Date among the New Agent, as collateral agent and agent under the New Secured Credit Agreement, Reorganized Birch and the Reorganized Subsidiary Debtors, substantially in the form of Exhibit C-3 hereto (filed as part of the Plan Supplement).

1.92 "New Promissory Note" means one or more promissory notes issued by Reorganized Finance in favor of each holder of a Class 2.1 Claim evidencing the New Secured Indebtedness under the New Secured Credit Agreement.

1.93 "New Secured Credit Agreement" means that certain secured credit agreement evidencing the New Secured Indebtedness to be entered into as of the Consummation Date, substantially in the form of Exhibit C-1 hereto (filed as part of the Plan Supplement).

1.94 "New Secured Debt Claim" means the first priority, fully secured debt claim against Reorganized Finance evidenced by the New Promissory Note in the aggregate amount of \$35 million that is guaranteed by each of the Reorganized Guarantor Debtors.

1.95 "New Secured Indebtedness" means the first priority, fully secured indebtedness of Reorganized Finance in the amount of \$35 million that is guaranteed by each of the Reorganized Guarantor Debtors.

- 1.96 "New Securities" means, collectively, the New Common Stock and the New Subsidiary Equity.
- 1.97 "New Subsidiary Equity" means, collectively, the respective shares of stock, limited partnership interests and limited liability company membership interests in the Reorganized Subsidiary Debtors authorized under Article V.C.1 of the Plan and the respective constituent documents of the Reorganized Subsidiary Debtors as of the Consummation Date.
- 1.98 "Old Birch Common Stock" means the shares of common stock of Birch issued and outstanding on the Petition Date.
- 1.99 "Old Birch Common Stock Interests" means the Interests represented by the Old Birch Common Stock.
- 1.100 "Old Birch Common Stock Options" means the options to purchase or acquire common stock of Birch, which options are outstanding immediately prior to the Petition Date, and all rights associated therewith.
- 1.101 "Old Birch Series A Preferred Stock" means the shares of Series A Preferred Stock of Birch issued and outstanding on the Petition Date.
- 1.102 "Old Birch Series A Preferred Stock Interests" means the Interests represented by the Old Birch Series A Preferred Stock.
- 1.103 "Old Promissory Notes" means the Notes issued by Finance under the Credit Agreement.
- 1.104 "Old Stockholders' Agreement" means that certain Ionex Telecommunications, Inc. Amended and Restated Stockholders' Agreement, dated as of March 19, 2003.
- 1.105 "Old Stockholders' Agreement Rights" means those stockholder rights, and all other rights associated therewith, created under and governed by the Old Stockholders' Agreement.
- 1.106 "Old Subsidiary Equity" means, collectively, the respective shares of stock, limited partnership interests, limited liability company membership interests and any other equity or ownership interests in the Subsidiary Debtors issued and outstanding as of the Distribution Record Date.
- 1.107 "Old Subsidiary Equity Interests" means the Interests represented by the Old Subsidiary Equity.
- 1.108 "Other Equity Interests" means the Interests represented by the Other Equity Rights.
- 1.109 "Other Equity Rights" means, collectively, the Old Birch Common Stock Options, Old Stockholders' Agreement Rights, rights under any Stock-Related Benefit Plan, and any other options, warrants, conversion rights, rights of first refusal, finders fee arrangements, or other rights, contractual or otherwise, to acquire, subscribe for, receive or cause to be redeemed, any Old Birch Common Stock, Old Birch Series A Preferred Stock, any other common stock or preferred stock of Birch, stock, limited partnership interests, limited liability company membership interests or any other equity or ownership interests in any Subsidiary Debtor, or other ownership interests in any Debtor, and any contracts, subscriptions, commitments or agreements (including the Old Stockholders' Agreement) pursuant to which any non-Debtor party was or could have been entitled to receive or cause to be redeemed shares, securities or other ownership interests in any Debtor.
- 1.110 "Other Priority Claim" means a Claim entitled to priority under section 507(a) of the Bankruptcy Code other than an Administrative Claim or Priority Tax Claim.
- 1.111 "Other Secured Claim" means a Secured Claim, other than a Finance Lender Secured Claim or Credit Agreement Guarantee Secured Claim.
- 1.112 "Person" means an individual, corporation, partnership, joint venture, association, joint stock company, limited liability company, limited liability partnership, trust, estate, unincorporated organization, governmental authority or other entity.

1.113 "Petition Date" means August 12, 2005, the date on which the Debtors filed their petitions for relief commencing the Chapter 11 Case.

1.114 "Plan" means this joint plan of reorganization, and all exhibits and schedules hereto, as it may be amended, modified or supplemented from time to time as permitted hereunder and by the Bankruptcy Code.

1.115 "Plan Supplement" means the compilation of documents, including any exhibits to the Plan not included herewith, that the Debtors shall file with the Bankruptcy Court on or before the date that is five (5) days prior to the Confirmation Hearing.

1.116 "Plan Trust" means the trust which is (i) created pursuant to Article V.F of the Plan in the event that the Lender Settlement is not approved by the Bankruptcy Court and (ii) administered by the Plan Trust Trustee all as more specifically set forth in this Plan.

1.117 "Plan Trust Agreement" means that certain trust agreement which is to govern the Plan Trust, substantially in the form attached as Exhibit G hereto (filed as part of the Plan Supplement), pursuant to which, among other things, the Plan Trust Assets shall be liquidated and distributed to the holders of Allowed Lender Claims and the Class 4 Creditor Trust Trustee in a manner consistent with the terms of the Plan.

1.118 "Plan Trust Assets" means the Plan Trust Payment, the Assigned Avoidance Actions, the New Equity and the New Promissory Note to be transferred to the Plan Trust (in the event that the Lender Settlement is not approved by the Bankruptcy Court) and held by the Plan Trustee (until the adjudication or settlement or other final resolution of the Creditor Trust Action) for the benefit of the holders of Allowed General Unsecured Claims and Allowed Lender Claims, as the case may be, and any and all proceeds of the foregoing; *provided, however*, that "Plan Trust Assets" shall not include any Causes of Action that are settled, released or enjoined under the Plan.

1.119 "Plan Trust Committee" means the three-member committee created hereunder that shall provide direction to the Plan Trust Trustee under the Plan Trust Agreement. The Plan Trust Committee shall be made up of one representative designated by the Lenders, one representative designated by the Committee, and one representative designated by Birch.

1.120 "Plan Trust Expenses" means all reasonable compensation of the Plan Trust Trustee, and all reasonable costs, expenses and fees incurred by the Plan Trust Trustee in the performance of its duties under the Plan Trust Agreement and the Plan, including compensation, fees and costs of all professionals, consultants, agents and employees retained or to be retained by the Plan Trust Trustee.

1.121 "Plan Trust Payment" means the Cash payment in the amount of \$75,000 made by the Debtors to the Plan Trust pursuant to Article V.F.2 of the Plan.

1.122 "Plan Trust Recoveries" means any and all proceeds received by the Plan Trust from the prosecution, settlement or other compromise of the Assigned Avoidance Actions.

1.123 "Plan Trust Trustee" means the trustee of the Plan Trust to be appointed pursuant to Article V.F of the Plan.

1.124 "Postpetition Interest" means interest accruing on and after the Petition Date on a Claim.

1.125 "Priority Tax Claim" means a Claim that is entitled to priority under section 507(a)(8) of the Bankruptcy Code.

1.126 "Proof of Claim" means any proof of Claim filed with the Bankruptcy Court or its duly appointed claims agent pursuant to Bankruptcy Rules 3001 or 3002.

1.127 "Pro Rata" means, at any time, the proportion that the amount of a Claim in a particular Class or Classes (or portions thereof, as applicable) bears to the aggregate amount of all Claims (including Disputed Claims) in such Class or Classes, unless the Plan provides otherwise.

1.128 "Professional" means any professional employed in the Chapter 11 Case pursuant to section 327, 328 or 1103 of the Bankruptcy Code.

1.129 "Professional Fee Claim" means a Claim of a Professional for compensation or reimbursement of costs and expenses relating to services incurred after the Petition Date and prior to and including the Consummation Date.

1.130 "Reinstate," "Reinstated" or "Reinstatement" means (i) leaving unaltered the legal, equitable and contractual rights to which a Claim or Interest entitles the holder of such Claim or Interest so as to leave such Claim or Interest unimpaired in accordance with section 1124 of the Bankruptcy Code or (ii) notwithstanding any contractual provision or applicable law that entitles the holder of such Claim or Interest to demand or receive accelerated payment of such Claim or Interest after the occurrence of a default, (a) curing any such default that occurred before or after the Petition Date, other than a default of a kind specified in section 365(b)(2) of the Bankruptcy Code; (b) reinstating the maturity of such Claim or Interest as such maturity existed before such default; (c) compensating the holder of such Claim or Interest for any damages incurred as a result of any reasonable reliance by such holder on such contractual provision or such applicable law; and (d) not otherwise altering the legal, equitable or contractual rights to which such Claim or Interest entitles the holder of such Claim or Interest; *provided, however*, that any contractual right that does not pertain to the payment when due of principal and interest on the obligation on which such Claim or Interest is based, including, financial covenant ratios, negative pledge covenants, covenants or restrictions on merger or consolidation, and affirmative covenants regarding corporate existence, prohibiting certain transactions or actions contemplated by the Plan, or conditioning such transactions or actions on certain factors, shall not be required to be reinstated in order to accomplish Reinstatement.

1.131 "Reorganized _____," where _____ is the name of a Debtor, means such Debtor, on and after the Consummation Date.

1.132 "Reorganized Birch Bylaws" means Reorganized Birch's bylaws in effect under the laws of the State of Delaware, as amended by the Plan, substantially in the form annexed hereto as Exhibit A-2 (filed as part of the Plan Supplement).

1.133 "Reorganized Birch Certificate of Incorporation" means Reorganized Birch's certificate of incorporation in effect under the laws of the State of Delaware, as amended by the Plan, substantially in the form annexed hereto as Exhibit A-1 (filed as part of the Plan Supplement).

1.134 "Reorganized Debtor" means each of Reorganized Birch, Reorganized Birch Telecom 1996, Inc., Reorganized Ionex Communications, Inc., Reorganized Ionex Communications North, Inc., Reorganized Ionex Communications South, Inc., Reorganized Ionex Telecommunications Leasing Inc., Reorganized Telecom Resources, Inc., Reorganized Birch Equipment, Inc., Reorganized Birch Internet Services, Inc., Reorganized Birch Kansas Holdings, Inc., Reorganized Birch Management Corporation, Reorganized Finance, Reorganized Birch Telecom of Arkansas, Inc., Reorganized Birch Telecom of Kansas, Inc., Reorganized Birch Telecom of Missouri, Inc., Reorganized Birch Telecom of Nebraska, Inc., Reorganized Birch Telecom of Oklahoma, Inc., Reorganized Birch Texas Holdings, Inc., Reorganized Birch Telecom of the Great Lakes, Inc., Reorganized Birch Telecom of the South, Inc., Reorganized Birch Telecom of the West, Inc., Reorganized Capital Communications Corporation, Reorganized Dunn & Associates, Inc., Reorganized I.S. Advertising, Inc., Reorganized Telesource Communications, Inc., Reorganized American Local Telecommunications L.L.C., Reorganized Birch Telecom of Texas Ltd., L.L.P., Reorganized G.B.S. Communications, Inc. and Reorganized M.B.S. Leasing, Inc., and "Reorganized Debtors" means all of them collectively.

1.135 "Reorganized Guarantor Debtor" means each of the Reorganized Debtors, other than Reorganized Finance, and "Reorganized Guarantor Debtors" means all of them collectively.

1.136 "Reorganized Subsidiary Debtor" means each of the Reorganized Debtors, other than Reorganized Birch, and "Reorganized Subsidiary Debtors" means all of them collectively.

1.137 "Reserved Avoidance Actions" means Avoidance Claims that are specifically listed on Schedule 4 hereto, which schedule may be amended by the Debtors, with the consent of the Lenders, through any time prior to the Confirmation Date and shall be transferred to the Deficiency Claim Trust in the event that the Lender Settlement is approved by the

Bankruptcy Court, and the Committee objects to the Plan and/or does not affirmatively support the Plan and recommend (in a manner agreeable to the Debtors and the Lenders) that holders of General Unsecured Claims and holders of Convenience Claims vote to accept the Plan; *provided, however*, that "Reserved Avoidance Actions" shall not include any Causes of Action that are settled, released or enjoined under the Plan.

1.138 "Retained Actions" means (a) all claims, rights of action, suits and proceedings, whether in law or in equity, whether known or unknown, which any Debtor or its Estate may hold against any Person, including, without limitation, any Causes of Action brought prior to the Petition Date and (b) all claims or Causes of Action seeking the recovery of the Debtors' accounts receivable or other receivables or rights to payment created or arising in the ordinary course of the Debtors' business; *provided, however*, that "Retained Actions" shall not include (i) any Causes of Action that are settled, released or enjoined under the Plan, (ii) the Assigned Avoidance Actions (in the event that the Lender Settlement is not approved by the Bankruptcy Court), (iii) the Reserved Avoidance Actions (in the event that the Lender Settlement is approved by the Bankruptcy Court and the Committee objects to the Plan and/or does not affirmatively support and recommend (in a manner reasonably agreeable to the Debtors and the Lenders) that holders of General Unsecured Claims and holders of Convenience Claims vote to accept the Plan) and (iv) the Creditor Trust Action. A nonexclusive list of Retained Actions is set forth on Schedule 1 annexed hereto.

1.139 "Secured Claim" means a Claim that is secured by a valid, duly perfected Lien as of the Petition Date on property in which any of the Estates has an interest or that is subject to setoff under section 553 of the Bankruptcy Code, to the extent of the value of the Claim holder's interest in the Estate's interest in such property or to the extent of the amount subject to setoff, as applicable, as determined pursuant to section 506(a) of the Bankruptcy Code or, in the case of setoff, pursuant to section 553 of the Bankruptcy Code.

1.140 "Securities Act" means the Securities Act of 1933, 15 U.S.C. §§ 77a-77aa, as now in effect or hereafter amended.

1.141 "Scheduled" means with respect to any Claim, the status and amount, if any, of that Claim as set forth in the Schedules.

1.142 "Schedules" means the schedules of assets and liabilities and the statements of financial affairs filed in the Bankruptcy Court by the Debtors, as amended or supplemented from time to time in accordance with Rule 1009 of the Bankruptcy Rules or orders of the Bankruptcy Court.

1.143 "Stockholders' Rights Agreement" means the Stockholders Agreement that shall be entered into by Reorganized Birch and certain holders of shares of New Common Stock on or after the Consummation Date, substantially in the form of Exhibit D hereto (filed as part of the Plan Supplement) pursuant to Article V.C.3(c) of the Plan.

1.144 "Stock-Related Benefit Plan" means the 2003 Equity Incentive Plan as amended, and any award agreements thereunder.

1.145 "Subordinated Claims" means any Claim that is subordinated pursuant to section 510(b) or 510(c) of the Bankruptcy Code, including, any Claim arising from the rescission or right of rescission of a purchase or sale of a security or Interest of any Debtor or of an affiliate of any Debtor, for damages arising from the purchase or sale of such a security or Interest or for reimbursement or contribution on account of such Claim; *provided, however*, that D&O Claims shall not be Subordinated Claims.

1.146 "Subsidiary Debtor" means each of the Debtors, other than Birch, and "Subsidiary Debtors" means all of them collectively.

1.147 "Successful" means, when used in reference to the Creditor Trust Action, a dismissal, a withdrawal with prejudice, a full and complete adjudication to a Final Order, a settlement, a compromise or other final resolution of the Creditor Trust Action that results in Class 4 Creditor Trust Recoveries.

1.148 "Unimpaired" means with reference to a Claim or Interest, a Claim or Interest that is not impaired within the meaning of section 1124 of the Bankruptcy Code.

1.149 "Unsuccessful" means, when used in reference to the Creditor Trust Action, a dismissal, a withdrawal with prejudice, a full and complete adjudication to a Final Order, a settlement, a compromise or other final resolution of the Creditor Trust Action that does not result in Class 4 Creditor Trust Recoveries.

C. Rules of Interpretation

1. General

In the Plan (a) any reference to a contract, instrument, release, indenture or other agreement or document as being in a particular form or on particular terms and conditions means the agreement or document substantially in that form or on those terms and conditions, (b) any reference to an existing document or exhibit means that document or exhibit as it may have been or may be amended, modified or supplemented, (c) unless otherwise specified, all references to Sections, Articles, Schedules and Exhibits are references to Sections, Articles, Schedules and Exhibits of or to the Plan, (d) the words "herein" and "hereto" refer to the Plan in its entirety rather than to a particular portion of the Plan, (e) captions and headings to Articles and Sections are for convenience of reference only and are not intended to be a part of or to affect the interpretation of the Plan and (f) the rules of construction in section 102 of the Bankruptcy Code and in the Bankruptcy Rules shall apply.

2. "Including"

As used in the Plan, "including" means "including without limitation."

3. "On"

With reference to any distribution under the Plan, "on" a date means on or as soon as reasonably practicable after that date.

D. Computation of Time

In computing any period of time prescribed or allowed by the Plan, the provisions of Bankruptcy Rule 9006(a) shall apply.

ARTICLE II.

COMPROMISES AND SETTLEMENTS OF CLAIMS

A. Proposed Settlement Between Debtors and Lenders

The Plan will implement a compromise and settlement with respect to the Lender Claims (the "Lender Settlement"), if the Lender Settlement is approved by the Bankruptcy Court. Pursuant to Bankruptcy Rule 9019 and section 1123(b)(3) of the Bankruptcy Code and consistent with section 1129 of the Bankruptcy Code, the Plan shall constitute a motion for approval of, and the Confirmation Order may authorize and constitute Bankruptcy Court approval of, the Lender Settlement.

On the Consummation Date, pursuant to Bankruptcy Rule 9019 and section 1123(b)(3) of the Bankruptcy Code, in full and final satisfaction of the Lender Claims, and for good and valuable consideration including the Lenders' agreement to the treatment specified in the Plan for the Lender Claims and the Claims and Interests asserted by other parties in interest, the Lender Settlement shall be effectuated in accordance with the following terms if the Lender Settlement is approved by the Bankruptcy Court:

1. The Lender Claims shall be deemed Allowed by the Confirmation Order as undisputed, uncontingent and liquidated in the aggregate settled amount of \$108,610,552.12.

2. The Finance Lender Secured Claims and the Credit Agreement Guarantee Secured Claims shall be deemed Allowed by the Confirmation Order as undisputed, noncontingent and liquidated in the aggregate settled amount of \$42 million (or such other amount as is determined by the Bankruptcy Court to be the value of the Collateral securing the Lender Secured Claims).

3. The Lender Deficiency Claims shall be deemed Allowed by the Confirmation Order as undisputed, noncontingent and liquidated in an aggregate settled amount of \$66,610,552.12 (or such other amount being the difference between \$108,610,552.12 and the amount as is determined by the Bankruptcy Court to be the value of the Collateral securing the Lender Secured Claims).

4. The Confirmation Order shall provide that the liens of the Lenders upon and in substantially all of the assets and properties of the Debtors, including all of the assets and properties of Birch Telecom of Texas Ltd., L.L.P., and upon all proceeds thereof, are and shall be deemed to be perfected and not subject to avoidance.

5. The Debtors' indebtedness under the Credit Agreement represented by the Finance Lender Secured Claims and the Credit Agreement Guarantee Secured Claims shall be restructured into the New Secured Indebtedness under the New Secured Credit Agreement in the aggregate amount of \$35 million, pursuant to Article IV.C.2 of the Plan.

6. Reorganized Birch shall issue and the Lenders shall receive the New Equity, pursuant to Article IV.C.2 of the Plan.

7. The Debtors shall pay the reasonable expenses of the Lender Steering Committee, including attorneys and other professional fees, incurred through the Consummation Date in connection with the negotiation and consummation of the Plan and the New Secured Credit Agreement, provided that such expenses have been approved by the Agent, pursuant to Article IV.C.2 of the Plan, and are compensable to the Lenders under the terms of the Cash Collateral Order.

8. The Agent and the Lenders and their respective current members, officers, Managers, employees, agents, affiliates and professionals (in their capacities as such) shall be deemed to have received and exchanged general releases with and from the Debtors and their Estates, and to have received releases from holders of Claims that affirmatively vote to accept the Plan, pursuant to Article XIV.I of the Plan.

9. In the absence of a Committee Settlement, the Class 4 Creditor Trust shall be established and the Class 4 Creditor Trust Trustee shall be obligated, among other things, to administer the Allowance of and distributions to, Class 4 General Unsecured Claims, pursuant to Article V.D.3 of the Plan.

10. In the absence of a Committee Settlement, the holders of Allowed General Unsecured Claims shall receive their Pro Rata share of Available Class 4 Creditor Trust Cash, pursuant to Article IV.C.5 of the Plan.

11. If the Committee does not object to the Plan and affirmatively supports the Plan and recommends (in a manner reasonably agreeable to the Debtors and the Lenders) that holders of General Unsecured Claims and holders of Convenience Claims vote to accept the Plan, then:

- a. the Debtors or the Reorganized Debtors shall transfer the Class 4 Settlement Payment in the amount of \$2 million to the Class 4 Settlement Account pursuant to Article IV.C.5 of the Plan;
- b. all Avoidance Actions shall be deemed settled, released and waived on the Consummation Date without further action by the Debtors or Reorganized Debtors, *provided, however*, that the Reorganized Debtors and the Estate Representative shall retain the rights to assert any Avoidance Action defensively against any holder of a Claim that may be subject to an Avoidance Action, but only to the extent necessary to offset any liability of the Debtors or the Reorganized Debtors on unsettled and Disputed General Unsecured Claims, including without limitation Claims of the kind contemplated by section 502(g)(1) of the Bankruptcy Code.

- c. the holders of Lender Deficiency Claims shall not receive any distribution on account of Lender Deficiency Claims, and the Deficiency Claim Trust shall not be established; and
- d. the Committee and its members (in their individual capacities, and only as to particular Committee members who agree in writing in advance of the Consummation Date) shall be deemed to have exchanged releases with and from the Debtors, their Estates, the Agent and the Lenders, which releases may be reflected in written form agreeable to the parties exchanging such releases (but such releases shall not affect such Committee members' rights to allowance and treatment of their claims under and as provided in the Plan).

12. If the Committee objects to the Plan and/or does not affirmatively support the Plan and recommend (in a manner reasonably agreeable to the Debtors and the Lenders) that holders of General Unsecured Claims and holders of Convenience Claims vote to accept the Plan, then:

- a. the Debtors or the Reorganized Debtors shall transfer the Class 4 Creditor Trust Payment in the amount of \$1,650,000 to the Class 4 Creditor Trust, pursuant to Article IV.C.5 of the Plan;
- b. the Deficiency Claim Trust shall be created and the Debtors shall transfer to the Deficiency Claim Trust: (i) the Deficiency Claim Trust Payment in the amount of \$50,000 and (ii) the Reserved Avoidance Actions, pursuant to Article V.E.2 of the Plan; and
- c. the Deficiency Trust Trustee shall prosecute and liquidate the Reserved Avoidance Actions, and the Lenders as holders of Allowed Deficiency Claims shall each receive their Pro Rata share of Available Deficiency Claim Trust Cash on account of and in exchange for such Lender Deficiency Claims, pursuant to Article IV.C.2 of the Plan.

13. The Debtors' current and former officers, directors, Managers, employees, agents, affiliates and professionals (in their capacities as such) shall be deemed to have exchanged and received exculpations and releases with and from the Debtors, their Estates, the Agent and the Lenders, and to have received releases from holders of Claims that affirmatively vote to accept the Plan, pursuant to Article XIV.I of the Plan.

14. The Reorganized Debtors shall assume the Debtors' indemnification obligations to, and compensation and employment agreements with, their directors, officers, employees and Managers, pursuant to Articles VIII.A and G of the Plan; *provided, however*, that such assumption shall not cause the assumption of any severance obligation by any Debtor or Reorganized Debtor not previously approved by the Bankruptcy Court pursuant to the KERP Orders; *provided, further*, that as to former directors and officers, such assumption expressly is conditioned upon approval of the Lender Settlement by the Bankruptcy Court on terms agreeable to the Lenders and the Debtors.

15. Old Subsidiary Equity shall be deemed cancelled and the respective new common stock, limited partnership interests, general partnership interests and limited liability company membership interests in the Reorganized Subsidiary Debtors shall be distributed so as to maintain the organizational structure of the Debtors substantially as such structure existed on the Petition Date, pursuant to Articles IV.C.10 and V.C.2 of the Plan.

16. Old Birch Series A Preferred Stock, Old Birch Common Stock, and Other Equity Rights shall be deemed cancelled, pursuant to Article IV.C.8, 9 and 11 of the Plan.

17. The board of directors of Birch may solicit, consider and negotiate alternative transactions with third parties at any time prior to the Confirmation Date and may terminate the Lender Settlement at any time prior to the Confirmation Date in order to enter into any alternative transaction (any such alternative transaction, an "Alternative Transaction") if the board of directors of Birch determines in its business judgment that such alternative transaction: (i) is fully committed with available financing, and contains no material contingencies other than necessary regulatory approvals (if any); (ii) is more favorable to the Estates from a financial point of view than the transactions contemplated by the Lender Settlement; and (iii) provides for payment of the Lender Claims on terms acceptable to the Agent and the Lenders, in the Lenders' sole discretion.

B. Settlement Between the Debtors and Key Parties

In addition to the Lender Settlement, the Plan implements global settlements with certain other key parties (the "Global Settlements"), including settlements with (i) SBC and its affiliates (the "SBC Settlement"), (ii) BellSouth and its affiliates (the "BellSouth Settlement") and (iii) the other key parties listed on Schedule 5 hereto, which schedule may be amended by the Debtors through any time prior to the Confirmation Hearing. Pursuant to Bankruptcy Rule 9019 and section 1123(b)(3) of the Bankruptcy Code and consistent with section 1129 of the Bankruptcy Code, the Plan shall constitute a motion for approval of, and the Confirmation Order shall authorize and constitute Bankruptcy Court approval of, the Global Settlements. Each of the Global Settlements is described in Article VI. of the Disclosure Statement. In the event of any conflict between the Plan and each Global Settlement, the terms of each Global Settlement shall control as to its respective parties.

C. Compromise and Settlement of Additional Claims

Pursuant to Bankruptcy Rule 9019(a), and with the consent of the Agent and the Lenders, the Debtors may compromise and settle various Claims against them and/or claims they may have against other Persons. The Debtors expressly reserve the right (with Bankruptcy Court approval, following appropriate notice and opportunity for a hearing) to compromise and settle Claims against them and claims that they may have against other Persons up to and including the Consummation Date. After the Consummation Date, such right shall pass to the Reorganized Debtors pursuant to Articles V.A and V.H hereof, except that (i) the Class 4 Creditor Trust Trustee or the Estate Representative, as applicable, shall have the exclusive right to object to, compromise and settle General Unsecured Claims following the Consummation Date and (ii) the Class 4 Creditor Trust Trustee shall have the exclusive right to bring, prosecute, compromise and settle the Creditor Trust Action and the Lender Claims following the Consummation Date in the event that the Lender Settlement is not approved by the Bankruptcy Court on terms agreeable to the Lenders and Debtors.

ARTICLE III.

TREATMENT OF UNCLASSIFIED CLAIMS

In accordance with section 1123(a)(1) of the Bankruptcy Code, Administrative Claims and Priority Tax Claims are not classified and holders of such Claims are not entitled to vote on the Plan.

A. Administrative Claims

On the applicable Distribution Date, each holder of an Allowed Administrative Claim shall receive, in full satisfaction, settlement, release and discharge of and in exchange for such Allowed Administrative Claim, Cash equal to the unpaid portion of its Allowed Administrative Claim. Notwithstanding the foregoing, (a) any Allowed Administrative Claim based on a liability incurred by a Debtor in the ordinary course of business during the Chapter 11 Case shall be paid in the ordinary course of business, in accordance with the terms and conditions of any agreement relating thereto; and (b) any Allowed Administrative Claim may be paid on such other less favorable terms as may be agreed on between the holder of such Claim and the Debtors or the Reorganized Debtors, as applicable. On or as soon as practicable after the Consummation Date, Reorganized Birch shall pay in Cash, in full, the reasonable expenses of the Lender Steering Committee including attorneys and other professional fees, incurred from the Petition Date through the Consummation Date in connection with the negotiation and consummation of the Plan, the New Secured Credit Agreement and other documents related thereto, provided that such expenses have been approved by the Agent and are compensable to the Lenders under the terms of the Cash Collateral Order.

B. Priority Tax Claims

The legal and equitable rights of the holders of Priority Tax Claims are Unimpaired by the Plan. On the applicable Distribution Date, each holder of an Allowed Priority Tax Claim shall receive in full satisfaction, settlement and release of and in exchange for such Allowed Priority Tax Claim at the election of the Debtors or the Reorganized Debtors, as applicable: (a) Cash equal to the unpaid portion of such Allowed Priority Tax Claim; (b) such other treatment as to which the

Debtors or the Reorganized Debtors and the holder of such Allowed Priority Tax Claim shall have agreed upon in writing; or (c) such other treatment required to Reinstate such Allowed Priority Tax Claim; *provided, however*, that the Debtors may elect to pay the holder of an Allowed Priority Tax Claim deferred cash payments over a period not to exceed three years after the date of assessment of the tax underlying such Allowed Priority Tax Claim, of a value, as of the Consummation Date, equal to the principal amount of such Allowed Priority Tax Claim plus simple interest in any outstanding balance from the Consummation Date calculated at 6% *per annum*; *provided, further*, that the Debtors or the Reorganized Debtors, as applicable, reserve the right to pay any Allowed Priority Tax Claim, or any remaining balance of any Allowed Priority Tax Claim, in full at any time on or after the Distribution Date without premium or penalty; *provided, further*, that no holder of an Allowed Priority Tax Claim shall be entitled to any payments on account of interest accruing or penalty arising after the Petition Date with respect to or in connection with such Allowed Priority Tax Claim; *provided, further*, that any Allowed Priority Tax Claim not due and owing as of the Consummation Date will be paid when such Claim becomes due and payable

ARTICLE IV.

CLASSIFICATION AND TREATMENT OF CLAIMS AND INTERESTS

A. Introduction

The Plan places all Claims and Interests, except Unclassified Claims provided for in Article III, in the Classes listed below. The Plan does not provide for substantive consolidation of the Debtors' Estates. A Claim or Interest is placed in a particular Class only to the extent that it falls within the description of that Class, and is classified in other Classes to the extent that any portion thereof falls within the description of other Classes.

B. Summary of Classified Claims and Interests

<i>Class</i>	<i>Impaired/Unimpaired; Entitlement to Vote</i>
Class 1 - Other Priority Claims	Unimpaired - Deemed to have accepted the Plan and not entitled to vote
Class 2 - Lender Secured Claims	Impaired - Entitled to vote
Class 3 - Other Secured Claims	Unimpaired - Deemed to have accepted the Plan and not entitled to vote
Class 4A - Convenience Claims	Impaired - Entitled to vote
Class 4B - Lender Deficiency Claims	Impaired - Entitled to vote
Class 4 - General Unsecured Claims	Impaired - Entitled to vote
Class 5 - Intercompany Claims	Impaired - Deemed to have rejected the Plan and not entitled to vote
Class 6 - Old Birch Series A Preferred Stock Interests	Impaired - Deemed to have rejected the Plan and not entitled to vote
Class 7 - Old Birch Common Stock Interests	Impaired - Deemed to have rejected the Plan and not entitled to vote

Class 8 - Old Subsidiary Equity Interests

Impaired - Deemed to have rejected the Plan and not entitled to vote

Class 9 - Other Equity Interests

Impaired - Deemed to have rejected the Plan and not entitled to vote

Class 10 - Subordinated Claims

Impaired - Deemed to have rejected the Plan and not entitled to vote

C. Treatment of Classes

Each of the holders of Claims and Interests in Classes 1 through 10 will receive the treatment described below, with alternative treatment depending on whether or not the Lender Settlement is approved.

1. Class 1 - Other Priority Claims

(a) *Claims in Class:* Class 1 consists of all Other Priority Claims against all Debtors.

(b) *Treatment* The legal, equitable and contractual rights of the holders of Other Priority Claims are Unimpaired by the Plan. On the applicable Distribution Date, each holder of an Allowed Other Priority Claim shall receive in full satisfaction, settlement of and in exchange for, such Allowed Other Priority Claim, at the election of the Debtors or the Reorganized Debtors, as applicable: (a) to the extent due and owing on the Consummation Date, Cash in the amount of such Allowed Other Priority Claim in accordance with the terms of the underlying obligation; (b) to the extent not due and owing on the Consummation Date, Cash in the amount of such Allowed Other Priority Claim payable when and as such Claim becomes due and owing in the ordinary course of business in accordance with the terms of the underlying obligation; (c) such other treatment as to which the holder of such Claim and the Debtors or Reorganized Debtors agree in writing; or (d) such other treatment required to Reinstate such Other Priority Claim.

2. Class 2 - Lender Secured Claims

Class 2 consists of the following twenty-nine sub-Classes of Lender Claims. Each sub-Class is a separate Class for all purposes under the Bankruptcy Code and the Plan, including for voting purposes. In the event that the Lender Settlement is approved by the Bankruptcy Court, the Lenders shall receive the treatment specified under the Lender Settlement, including, without limitation, that the Lender Secured Claims shall be deemed Allowed in the amount of \$42 million (or such other amount as is determined by the Bankruptcy Court to be the value of the Collateral securing the Lender Secured Claims) and the Lender Deficiency Claims shall be deemed Allowed in the amount of \$66,610,552.12 (or such other amount being the difference between \$108,610,552.12 and the amount as is determined by the Bankruptcy Court to be the value of the Collateral securing the Lender Secured Claims).

Class 2.1 - Finance Lender Secured Claims

a. *Claims in Class:* Class 2.1 consists of all Finance Lender Secured Claims. If the Lender Settlement is approved by the Bankruptcy Court, the Confirmation Order shall provide that class 2.1 Finance Lender Secured Claims are (i) Allowed as undisputed, noncontingent and liquidated in the aggregate amount of \$42 million (or such other amount as is determined by the Bankruptcy Court to be the value of the Collateral securing the Lender Secured Claims) and (ii) secured by enforceable first priority liens and security interests granted by Finance upon and in substantially all of Finance's assets and property of any kind including all proceeds thereof.

b. If the Lender Settlement is not approved by the Bankruptcy Court, Class 2.1 Finance Lender Secured Claims shall be temporarily Allowed by the Confirmation Order as undisputed, noncontingent and liquidated in the aggregate amount of \$42 million (or such other amount as is determined by the Bankruptcy Court to be the value of the Collateral securing the Lender Secured Claims) solely for purposes of confirming the Plan.

c. *Treatment:* If the Lender Settlement is approved by the Bankruptcy Court, on the Consummation Date (i) an amount equal to \$35 million of indebtedness under the Credit Agreement will be restructured as the New Secured Indebtedness under the New Secured Credit Agreement, (ii) Reorganized Finance, Reorganized Birch and each holder of an Allowed Class 2.1 Claim shall execute and deliver the New Secured Credit Agreement and related documents; (iii) under the New Secured Credit Agreement, Reorganized Finance shall execute and deliver to the New Agent the New Promissory Note evidencing New Secured Indebtedness thereunder and under related documents; (iv) Reorganized Finance shall enter into and execute such documents, instruments and agreements reasonably requested by the New Agent to confirm, affirm or grant to the New Agent for the ratable benefit of the lenders under the New Secured Credit Agreement a duly perfected first priority lien on and security interest in all of the assets of Reorganized Finance owned on the Consummation Date or thereafter acquired (real, personal or mixed) subject to liens securing Other Secured Claims (to the extent Reinstated) and other permitted liens as provided in the New Secured Credit Agreement; (v) Reorganized Finance shall enter into and execute such other documents, instruments and agreements as shall be reasonably requested by the New Agent pursuant to the terms of the New Secured Credit Agreement and related documents, including the New Guarantee and Collateral Agreement; (vi) each holder of an Allowed Class 2.1 Claim shall receive its Pro Rata share of New Equity; (vii) Finance and its Estate shall release the Agent and the Lenders (each in such capacity); and (viii) Reorganized Birch shall pay in Cash, in full, the reasonable expenses of the Lender Steering Committee, including attorneys and other professional fees, incurred in connection with the Chapter 11 Case, provided that such expenses have been approved by the Agent and are compensable to the Lenders under the terms of the Cash Collateral Order.

d. If the Lender Settlement is not approved by the Bankruptcy Court on terms agreeable to the Lenders and Debtors: (A) on the Consummation Date each of the transactions and deliveries provided for in the foregoing paragraph shall occur except that (i) Finance and its Estate shall not release the Agent and the Lenders, (ii) Reorganized Finance shall not deliver the New Promissory Note to the New Agent and (iii) the New Equity shall not be delivered to the holders of Class 2.1 Claims; (B) on the Consummation Date Finance shall deliver the New Promissory Note to the Plan Trust Trustee, and the Plan Trust Trustee shall receive the New Equity; (C) pending final resolution of the Creditor Trust Action, (i) all payments of principal and interest due and owing under the New Promissory Note shall be paid to the Plan Trust Trustee, (ii) the Plan Trust Trustee shall be responsible for declaring any default under the New Secured Credit Agreement, and (iii) as directed by the Plan Trust Committee, the Plan Trust Trustee shall exercise any stockholder rights in respect of the New Equity; (D) pending final resolution of the Creditor Trust Action, the Plan Trust Trustee shall hold the New Promissory Note, New Equity and any payments of principal and interest paid by the Reorganized Debtors under the New Promissory Note and New Secured Credit Agreement, in trust for the benefit of holders of Allowed Class 2.1 Claims to the extent Allowed by the Court, and to the extent that the Creditor Trust Action is Successful, shall be allocated in such amounts and manner as may be ordered by the Bankruptcy Court to pay or deliver to the Class 4 Creditor Trust Trustee upon final adjudication, settlement, compromise or other resolution of the Creditor Trust Action; and (E) upon final adjudication, settlement, compromise or other resolution of the Creditor Trust Action, and the making of any payment or delivery ordered by the Bankruptcy Court in connection therewith, the Plan Trust Trustee shall immediately deliver to the Agent as ordered by the Bankruptcy Court any and all remaining New Equity, New Promissory Note and other remaining Plan Trust Assets (including the proceeds of any payments of principal and interest under the New Promissory Note and New Secured Credit Agreement) after deducting Plan Trust Expenses; *provided, however*, that if the Creditor Trust Action is Unsuccessful, the Plan Trust Trustee shall liquidate the Assigned Avoidance Actions and distribute the proceeds thereof after deducting Plan Trust Expenses Pro Rata, to the holders of Allowed Class 4B Lender Deficiency Claims and to the Class 4 Creditor Trust (for the benefit of holders of Allowed Class 4 General Unsecured Claims) as and when the Assigned Avoidance Actions are finally liquidated and the relative aggregate Allowed amounts of the foregoing Classes of Claims are determined by a Final Order.

e. If the Lender Settlement is not approved by the Bankruptcy Court and the Creditor Trust Action is Successful, holders of Allowed Lender Secured Claims shall receive a distribution of the New Equity, New Promissory Note and proceeds of the Assigned Avoidance Actions that is consistent with a Final Order finally resolving the Creditor Trust Action.

Class 2.2 - Birch Credit Agreement Guarantee Secured Claims

a. *Claims in Class:* Class 2.2 consists of all Credit Agreement Guarantee Secured Claims against Birch. In the event that the Lender Settlement is approved by the Bankruptcy Court, the Confirmation Order shall provide that the Birch Credit Agreement Guarantee Secured Claims are secured by enforceable first priority liens and security

interests granted by Birch upon and in substantially all of Birch's assets and property of any kind including all proceeds thereof.

b. *Treatment:* If the Lender Settlement is approved by the Bankruptcy Court, then on the Consummation Date, (i) Reorganized Birch shall enter into and execute (a) the New Secured Credit Agreement, as a guarantor of Reorganized Finance's obligations thereunder, and execute such other documents, instruments and agreements reasonably requested by the New Agent to confirm, affirm or grant to the lenders under the New Secured Credit Agreement a guarantee by Reorganized Birch of the indebtedness of Reorganized Finance under the New Secured Credit Agreement and related documents, (b) such documents, instruments and agreements reasonably requested by the New Agent to confirm, affirm or grant to the New Agent for the ratable benefit of the lenders under the New Secured Credit Agreement a duly perfected first priority lien on and security interest in all of the assets of Reorganized Birch owned on the Consummation Date or thereafter acquired (real, personal or mixed) subject to liens securing Other Secured Claims (to the extent Reinstated) and other permitted liens as provided in the New Secured Credit Agreement and (c) such other related documents, instruments and agreements as shall be reasonably requested by the New Agent pursuant to the terms of the New Secured Credit Agreement and related documents, including the New Guarantee and Collateral Agreement; and (ii) Birch and its Estate shall release the Agent and the Lenders (each in such capacity).

c. If the Lender Settlement is not approved by the Bankruptcy Court on terms agreeable to the Lenders and Debtors: (A) on the Consummation Date each of the transactions and deliveries provided for in the foregoing paragraph shall occur except that Birch and its Estate shall not release the Agent and the Lenders; and (B) pending final resolution of the Creditor Trust Action, (i) any payments by Reorganized Birch of principal and interest due and owing under the New Promissory Note shall be paid to the Plan Trust Trustee, and (ii) only the Plan Trust Trustee, as directed by the Plan Trust Committee, may enforce the guarantee delivered by Reorganized Birch.

Class 2.3. - Birch Telecom 1996, Inc. Credit Agreement Guarantee Secured Claims

a. *Claims in Class:* Class 2.3 consists of all Credit Agreement Guarantee Secured Claims against Birch Telecom 1996, Inc. If the Lender Settlement is approved by the Bankruptcy Court, the Confirmation Order shall provide that the Birch Telecom 1996, Inc. Credit Agreement Guarantee Secured Claims are secured by enforceable first priority liens and security interests granted by Birch Telecom 1996, Inc. upon and in substantially all of Birch Telecom 1996, Inc.'s assets and property of any kind including all proceeds thereof.

b. *Treatment:* If the Lender Settlement is approved by the Bankruptcy Court, on the Consummation Date, (i) Reorganized Birch Telecom 1996, Inc. shall enter into and execute (a) the New Secured Credit Agreement, as a guarantor of Reorganized Finance's obligations thereunder, and execute such other documents, instruments and agreements reasonably requested by the New Agent to confirm, affirm or grant to the lenders under the New Secured Credit Agreement a guarantee by Reorganized Birch Telecom 1996, Inc. of the indebtedness of Reorganized Finance under the New Secured Credit Agreement and related documents, (b) such documents, instruments and agreements reasonably requested by the New Agent to confirm, affirm or grant to the New Agent for the ratable benefit of the lenders under the New Secured Credit Agreement a duly perfected first priority lien on and security interest in all of the assets of Reorganized Birch Telecom 1996, Inc. owned on the Consummation Date or thereafter acquired (real, personal or mixed) subject to liens securing Other Secured Claims (to the extent Reinstated) and other permitted liens as provided in the New Secured Credit Agreement and (c) such other related documents, instruments and agreements as shall be reasonably requested by the New Agent pursuant to the terms of the New Secured Credit Agreement and related documents, including the New Guarantee and Collateral Agreement; and (ii) Birch Telecom 1996, Inc. and its Estate shall release the Agent and the Lenders (each in such capacity).

c. If the Lender Settlement is not approved by the Bankruptcy Court on terms agreeable to the Lenders and Debtors: (A) on the Consummation Date each of the transactions and deliveries provided for in the foregoing paragraph shall occur except that Birch Telecom 1996, Inc. and its Estate shall not release the Agent and the Lenders; and (B) pending final resolution of the Creditor Trust Action, (i) any payments by Reorganized Birch Telecom 1996, Inc. of principal and interest due and owing under the New Promissory Note shall be paid to the Plan Trust Trustee, and (ii) only the Plan Trust Trustee, as directed by the Plan Trust Committee, may enforce the guarantee delivered by Reorganized Birch Telecom 1996, Inc.

Class 2.4 - Ionex Communications, Inc. Credit Agreement Guarantee Secured Claims

a. *Claims in Class:* Class 2.4 consists of all Credit Agreement Guarantee Secured Claims against Ionex Communications, Inc. In the event that the Lender Settlement is approved by the Bankruptcy Court, then the Confirmation Order shall provide that the Ionex Communications, Inc. Credit Agreement Guarantee Secured Claims are secured by enforceable first priority liens and security interests granted by Ionex Communications, Inc. upon and in substantially all of Ionex Communications, Inc.'s assets and property of any kind including all proceeds thereof.

b. *Treatment:* In the event that the Lender Settlement is approved by the Bankruptcy Court, then on the Consummation Date, (i) Reorganized Ionex Communications, Inc. shall enter into and execute (a) the New Secured Credit Agreement, as a guarantor of Reorganized Finance's obligations thereunder, and execute such other documents, instruments and agreements reasonably requested by the New Agent to confirm, affirm or grant to the lenders under the New Secured Credit Agreement a guarantee by Reorganized Ionex Communications, Inc. of the indebtedness of Reorganized Finance under the New Secured Credit Agreement and related documents, (b) such documents, instruments and agreements reasonably requested by the New Agent to confirm, affirm or grant to the New Agent for the ratable benefit of the lenders under the New Secured Credit Agreement a duly perfected first priority lien on and security interest in all of the assets of Reorganized Ionex Communications, Inc. owned on the Consummation Date or thereafter acquired (real, personal or mixed) subject to liens securing Other Secured Claims (to the extent Reinstated) and other permitted liens as provided in the New Secured Credit Agreement and (c) such other related documents, instruments and agreements as shall be reasonably requested by the New Agent pursuant to the terms of the New Secured Credit Agreement and related documents, including the New Guarantee and Collateral Agreement; and (ii) Ionex Communications, Inc. and its Estate shall release the Agent and the Lenders (each in such capacity).

c. If the Lender Settlement is not approved by the Bankruptcy Court on terms agreeable to the Lenders and Debtors: (A) on the Consummation Date each of the transactions and deliveries provided for in the foregoing paragraph shall occur except that Ionex Communications, Inc. and its Estate shall not release the Agent and the Lenders; and (B) pending final resolution of the Creditor Trust Action, (i) any payments by Reorganized Ionex Communications, Inc. of principal and interest due and owing under the New Promissory Note shall be paid to the Plan Trust Trustee, and (ii) only the Plan Trust Trustee, as directed by the Plan Trust Committee, may enforce the guarantee delivered by Reorganized Ionex Communications, Inc.

Class 2.5 - Ionex Communications North, Inc. Credit Agreement Guarantee Secured Claims

a. *Claims in Class:* Class 2.5 consists of all Credit Agreement Guarantee Secured Claims against Ionex Communications North, Inc. In the event that the Lender Settlement is approved by the Bankruptcy Court, then the Confirmation Order shall provide that the Ionex Communications North, Inc. Credit Agreement Guarantee Secured Claims are secured by enforceable first priority liens and security interests granted by Ionex Communications North, Inc. upon and in substantially all of Ionex Communications North, Inc.'s assets and property of any kind including all proceeds thereof.

b. *Treatment:* In the event that the Lender Settlement is approved by the Bankruptcy Court, then on the Consummation Date, (i) Reorganized Ionex Communications North, Inc. shall enter into and execute (a) the New Secured Credit Agreement, as a guarantor of Reorganized Finance's obligations thereunder, and execute such other documents, instruments and agreements reasonably requested by the New Agent to confirm, affirm or grant to the lenders under the New Secured Credit Agreement a guarantee by Reorganized Ionex Communications North, Inc. of the indebtedness of Reorganized Finance under the New Secured Credit Agreement and related documents, (b) such documents, instruments and agreements reasonably requested by the New Agent to confirm, affirm or grant to the New Agent for the ratable benefit of the lenders under the New Secured Credit Agreement a duly perfected first priority lien on and security interest in all of the assets of Reorganized Ionex Communications North, Inc. owned on the Consummation Date or thereafter acquired (real, personal or mixed) subject to liens securing Other Secured Claims (to the extent Reinstated) and other permitted liens as provided in the New Secured Credit Agreement and (c) such other related documents, instruments and agreements as shall be reasonably requested by the New Agent pursuant to the terms of the New Secured Credit Agreement and related documents, including the New Guarantee and Collateral Agreement; and (ii) Ionex Communications North, Inc. and its Estate shall release the Agent and the Lenders (each in such capacity).

c. If the Lender Settlement is not approved by the Bankruptcy Court on terms agreeable to the Lenders and Debtors: (A) on the Consummation Date each of the transactions and deliveries provided for in the foregoing paragraph shall occur except that Ionex Communications North, Inc. and its Estate shall not release the Agent and the Lenders; and (B) pending final resolution of the Creditor Trust Action, (i) any payments by Reorganized Ionex Communications North, Inc. of principal and interest due and owing under the New Promissory Note shall be paid to the Plan Trust Trustee, and (ii) only the Plan Trust Trustee, as directed by the Plan Trust Committee, may enforce the guarantee delivered by Reorganized Ionex Communications North, Inc.

Class 2.6 - Ionex Communications South, Inc. Credit Agreement Guarantee Secured Claims

a. *Claims in Class:* Class 2.6 consists of all Credit Agreement Guarantee Secured Claims against Ionex Communications South, Inc. In the event that the Lender Settlement is approved by the Bankruptcy Court, then the Confirmation Order shall provide that the Ionex Communications South, Inc. Credit Agreement Guarantee Secured Claims are secured by enforceable first priority liens and security interests granted by Ionex Communications South, Inc. upon and in substantially all of Ionex Communications South, Inc.'s assets and property of any kind including all proceeds thereof.

b. *Treatment:* In the event that the Lender Settlement is approved by the Bankruptcy Court, then on the Consummation Date, (i) Reorganized Ionex Communications South, Inc. shall enter into and execute (a) the New Secured Credit Agreement, as a guarantor of Reorganized Finance's obligations thereunder, and execute such other documents, instruments and agreements reasonably requested by the New Agent to confirm, affirm or grant to the G11 lenders under the New Secured Credit Agreement a guarantee by Reorganized Ionex Communications South, Inc. of the indebtedness of Reorganized Finance under the New Secured Credit Agreement and related documents, (b) such documents, instruments and agreements reasonably requested by the New Agent to confirm, affirm or grant to the New Agent for the ratable benefit of the lenders under the New Secured Credit Agreement a duly perfected first priority lien on and security interest in all of the assets of Reorganized Ionex Communications South, Inc. owned on the Consummation Date or thereafter acquired (real, personal or mixed) subject to liens securing Other Secured Claims (to the extent Reinstated) and other permitted liens as provided in the New Secured Credit Agreement and (c) such other related documents, instruments and agreements as shall be reasonably requested by the New Agent pursuant to the terms of the New Secured Credit Agreement and related documents, including the New Guarantee and Collateral Agreement; and (ii) Ionex Communications South, Inc. and its Estate shall release the Agent and the Lenders (each in such capacity).

c. If the Lender Settlement is not approved by the Bankruptcy Court on terms agreeable to the Lenders and Debtors: (A) on the Consummation Date each of the transactions and deliveries provided for in the foregoing paragraph shall occur except that Ionex Communications South, Inc. and its Estate shall not release the Agent and the Lenders; and (B) pending final resolution of the Creditor Trust Action, (i) any payments by Reorganized Ionex Communications South, Inc. of principal and interest due and owing under the New Promissory Note shall be paid to the Plan Trust Trustee, and (ii) only the Plan Trust Trustee, as directed by the Plan Trust Committee, may enforce the guarantee delivered by Reorganized Ionex Communications South, Inc.

Class 2.7 - Ionex Telecommunications Leasing Inc. Credit Agreement Guarantee Secured Claims

a. *Claims in Class:* Class 2.7 consists of all Credit Agreement Guarantee Secured Claims against Ionex Telecommunications Leasing Inc. In the event that the Lender Settlement is approved by the Bankruptcy Court, then the Confirmation Order shall provide that the Ionex Telecommunications Leasing Inc. Credit Agreement Guarantee Secured Claims are secured by enforceable first priority liens and security interests granted by Ionex Telecommunications Leasing Inc. upon and in substantially all of Ionex Telecommunications Leasing Inc.'s assets and property of any kind including all proceeds thereof.

b. *Treatment:* In the event that the Lender Settlement is approved by the Bankruptcy Court, then on the Consummation Date, (i) Reorganized Ionex Telecommunications Leasing Inc. shall enter into and execute (a) the New Secured Credit Agreement, as a guarantor of Reorganized Finance's obligations thereunder, and execute such other documents, instruments and agreements reasonably requested by the New Agent to confirm, affirm or grant to the lenders under the New Secured Credit Agreement a guarantee by Reorganized Ionex Telecommunications Leasing Inc. of the

indebtedness of Reorganized Finance under the New Secured Credit Agreement and related documents, (b) such documents, instruments and agreements reasonably requested by the New Agent to confirm, affirm or grant to the New Agent for the ratable benefit of the lenders under the New Secured Credit Agreement a duly perfected first priority lien on and security interest in all of the assets of Reorganized Ionex Telecommunications Leasing Inc. owned on the Consummation Date or thereafter acquired (real, personal or mixed) subject to liens securing Other Secured Claims (to the extent Reinstated) and other permitted liens as provided in the New Secured Credit Agreement and (c) such other related documents, instruments and agreements as shall be reasonably requested by the New Agent pursuant to the terms of the New Secured Credit Agreement and related documents, including the New Guarantee and Collateral Agreement; and (ii) Ionex Telecommunications Leasing Inc. and its Estate shall release the Agent and the Lenders (each in such capacity).

c. If the Lender Settlement is not approved by the Bankruptcy Court on terms agreeable to the Lenders and Debtors: (A) on the Consummation Date each of the transactions and deliveries provided for in the foregoing paragraph shall occur except that Ionex Telecommunications Leasing Inc. and its Estate shall not release the Agent and the Lenders; and (B) pending final resolution of the Creditor Trust Action, (i) any payments by Reorganized Ionex Telecommunications Leasing Inc. of principal and interest due and owing under the New Promissory Note shall be paid to the Plan Trust Trustee, and (ii) only the Plan Trust Trustee, as directed by the Plan Trust Committee, may enforce the guarantee delivered by Reorganized Ionex Telecommunications Leasing Inc.

Class 2.8 - Telecom Resources, Inc. Credit Agreement Guarantee Secured Claims

a. *Claims in Class:* Class 2.8 consists of all Credit Agreement Guarantee Secured Claims against Telecom Resources, Inc. In the event that the Lender Settlement is approved by the Bankruptcy Court, then the Confirmation Order shall provide that the Telecom Resources, Inc. Credit Agreement Guarantee Secured Claims are secured by enforceable first priority liens and security interests granted by Telecom Resources, Inc. upon and in substantially all of Telecom Resources, Inc.'s assets and property of any kind including all proceeds thereof.

b. *Treatment:* In the event that the Lender Settlement is approved by the Bankruptcy Court, then on the Consummation Date, (i) Reorganized Telecom Resources, Inc. shall enter into and execute (a) the New Secured Credit Agreement, as a guarantor of Reorganized Finance's obligations thereunder, and execute such other documents, instruments and agreements reasonably requested by the New Agent to confirm, affirm or grant to the lenders under the New Secured Credit Agreement a guarantee by Reorganized Telecom Resources, Inc. of the indebtedness of Reorganized Finance under the New Secured Credit Agreement and related documents, (b) such documents, instruments and agreements reasonably requested by the New Agent to confirm, affirm or grant to the New Agent for the ratable benefit of the lenders under the New Secured Credit Agreement a duly perfected first priority lien on and security interest in all of the assets of Reorganized Telecom Resources, Inc. owned on the Consummation Date or thereafter acquired (real, personal or mixed) subject to liens securing Other Secured Claims (to the extent Reinstated) and other permitted liens as provided in the New Secured Credit Agreement and (c) such other related documents, instruments and agreements as shall be reasonably requested by the New Agent pursuant to the terms of the New Secured Credit Agreement and related documents, including the New Guarantee and Collateral Agreement; and (ii) Telecom Resources, Inc. and its Estate shall release the Agent and the Lenders (each in such capacity).

c. If the Lender Settlement is not approved by the Bankruptcy Court on terms agreeable to the Lenders and Debtors: (A) on the Consummation Date each of the transactions and deliveries provided for in the foregoing paragraph shall occur except that Telecom Resources, Inc. and its Estate shall not release the Agent and the Lenders; and (B) pending final resolution of the Creditor Trust Action, (i) any payments by Reorganized Telecom Resources, Inc. of principal and interest due and owing under the New Promissory Note shall be paid to the Plan Trust Trustee, and (ii) only the Plan Trust Trustee, as directed by the Plan Trust Committee, may enforce the guarantee delivered by Reorganized Telecom Resources, Inc.

Class 2.9 - Birch Equipment, Inc. Credit Agreement Guarantee Secured Claims

a. *Claims in Class:* Class 2.9 consists of all Credit Agreement Guarantee Secured Claims against Birch Equipment, Inc. In the event that the Lender Settlement is approved by the Bankruptcy Court, then the Confirmation Order shall provide that the Birch Equipment, Inc. Credit Agreement Guarantee Secured Claims are secured by

enforceable first priority liens and security interests granted by Birch Equipment, Inc. upon and in substantially all of Birch Equipment, Inc.'s assets and property of any kind including all proceeds thereof.

b. *Treatment:* In the event that the Lender Settlement is approved by the Bankruptcy Court, then on the Consummation Date, (i) Reorganized Birch Equipment, Inc. shall enter into and execute (a) the New Secured Credit Agreement, as a guarantor of Reorganized Finance's obligations thereunder, and execute such other documents, instruments and agreements reasonably requested by the New Agent to confirm, affirm or grant to the lenders under the New Secured Credit Agreement a guarantee by Reorganized Birch Equipment, Inc. of the indebtedness of Reorganized Finance under the New Secured Credit Agreement and related documents, (b) such documents, instruments and agreements reasonably requested by the New Agent to confirm, affirm or grant to the New Agent for the ratable benefit of the lenders under the New Secured Credit Agreement a duly perfected first priority lien on and security interest in all of the assets of Reorganized Birch Equipment, Inc. owned on the Consummation Date or thereafter acquired (real, personal or mixed) subject to liens securing Other Secured Claims (to the extent Reinstated) and other permitted liens as provided in the New Secured Credit Agreement and (c) such other related documents, instruments and agreements as shall be reasonably requested by the New Agent pursuant to the terms of the New Secured Credit Agreement and related documents, including the New Guarantee and Collateral Agreement; and (ii) Birch Equipment, Inc. and its Estate shall release the Agent and the Lenders (each in such capacity).

c. If the Lender Settlement is not approved by the Bankruptcy Court on terms agreeable to the Lenders and Debtors: (A) on the Consummation Date each of the transactions and deliveries provided for in the foregoing paragraph shall occur except that Birch Equipment, Inc. and its Estate shall not release the Agent and the Lenders; and (B) pending final resolution of the Creditor Trust Action, (i) any payments by Reorganized Birch Equipment, Inc. of principal and interest due and owing under the New Promissory Note shall be paid to the Plan Trust Trustee, and (ii) only the Plan Trust Trustee, as directed by the Plan Trust Committee, may enforce the guarantee delivered by Reorganized Birch Equipment, Inc.

Class 2.10. - Birch Internet Services, Inc. Credit Agreement Guarantee Secured Claims

a. *Claims in Class:* Class 2.10 consists of all Credit Agreement Guarantee Secured Claims against Birch Internet Services, Inc. In the event that the Lender Settlement is approved by the Bankruptcy Court, then the Confirmation Order shall provide that the Birch Internet Services, Inc. Credit Agreement Guarantee Secured Claims are secured by enforceable first priority liens and security interests granted by Birch Internet Services, Inc. upon and in substantially all of Birch Internet Services, Inc.'s assets and property of any kind including all proceeds thereof.

b. *Treatment:* In the event that the Lender Settlement is approved by the Bankruptcy Court, then on the Consummation Date, (i) Reorganized Birch Internet Services, Inc. shall enter into and execute (a) the New Secured Credit Agreement, as a guarantor of Reorganized Finance's obligations thereunder, and execute such other documents, instruments and agreements reasonably requested by the New Agent to confirm, affirm or grant to the lenders under the New Secured Credit Agreement a guarantee by Reorganized Birch Internet Services, Inc. of the indebtedness of Reorganized Finance under the New Secured Credit Agreement and related documents, (b) such documents, instruments and agreements reasonably requested by the New Agent to confirm, affirm or grant to the New Agent for the ratable benefit of the lenders under the New Secured Credit Agreement a duly perfected first priority lien on and security interest in all of the assets of Reorganized Birch Internet Services, Inc. owned on the Consummation Date or thereafter acquired (real, personal or mixed) subject to liens securing Other Secured Claims (to the extent Reinstated) and other permitted liens as provided in the New Secured Credit Agreement and (c) such other related documents, instruments and agreements as shall be reasonably requested by the New Agent pursuant to the terms of the New Secured Credit Agreement and related documents, including the New Guarantee and Collateral Agreement; and (ii) Birch Internet Services, Inc. and its Estate shall release the Agent and the Lenders (each in such capacity).

c. If the Lender Settlement is not approved by the Bankruptcy Court on terms agreeable to the Lenders and Debtors: (A) on the Consummation Date each of the transactions and deliveries provided for in the foregoing paragraph shall occur except that Birch Internet Services, Inc. and its Estate shall not release the Agent and the Lenders; and (B) pending final resolution of the Creditor Trust Action, (i) any payments by Reorganized Birch Internet Services, Inc. of principal and interest due and owing under the New Promissory Note shall be paid to the Plan Trust Trustee, and (ii) only the Plan Trust Trustee, as directed by the Plan Trust Committee, may enforce the guarantee delivered by Reorganized Birch

Internet Services, Inc.

Class 2.11 - Birch Kansas Holdings, Inc. Credit Agreement Guarantee Secured Claims

a. *Claims in Class:* Class 2.11 consists of all Credit Agreement Guarantee Secured Claims against Birch Kansas Holdings, Inc. In the event that the Lender Settlement is approved by the Bankruptcy Court, then the Confirmation Order shall provide that the Birch Kansas Holdings, Inc. Credit Agreement Guarantee Secured Claims are secured by enforceable first priority liens and security interests granted by Birch Kansas Holdings, Inc. upon and in substantially all of Birch Kansas Holdings, Inc.'s assets and property of any kind including all proceeds thereof.

b. *Treatment:* In the event that the Lender Settlement is approved by the Bankruptcy Court, then on the Consummation Date, (i) Reorganized Birch Kansas Holdings, Inc. shall enter into and execute (a) the New Secured Credit Agreement, as a guarantor of Reorganized Finance's obligations thereunder, and execute such other documents, instruments and agreements reasonably requested by the New Agent to confirm, affirm or grant to the lenders under the New Secured Credit Agreement a guarantee by Reorganized Birch Kansas Holdings, Inc. of the indebtedness of Reorganized Finance under the New Secured Credit Agreement and related documents, (b) such documents, instruments and agreements reasonably requested by the New Agent to confirm, affirm or grant to the New Agent for the ratable benefit of the lenders under the New Secured Credit Agreement a duly perfected first priority lien on and security interest in all of the assets of Reorganized Birch Kansas Holdings, Inc. owned on the Consummation Date or thereafter acquired (real, personal or mixed) subject to liens securing Other Secured Claims (to the extent Reinstated) and other permitted liens as provided in the New Secured Credit Agreement and (c) such other related documents, instruments and agreements as shall be reasonably requested by the New Agent pursuant to the terms of the New Secured Credit Agreement and related documents, including the New Guarantee and Collateral Agreement; and (ii) Birch Kansas Holdings, Inc. and its Estate shall release the Agent and the Lenders (each in such capacity).

c. If the Lender Settlement is not approved by the Bankruptcy Court on terms agreeable to the Lenders and Debtors: (A) on the Consummation Date each of the transactions and deliveries provided for in the foregoing paragraph shall occur except that Birch Kansas Holdings, Inc. and its Estate shall not release the Agent and the Lenders; and (B) pending final resolution of the Creditor Trust Action, (i) any payments by Reorganized Birch Kansas Holdings, Inc. of principal and interest due and owing under the New Promissory Note shall be paid to the Plan Trust Trustee, and (ii) only the Plan Trust Trustee, as directed by the Plan Trust Committee, may enforce the guarantee delivered by Reorganized Birch Kansas Holdings, Inc.

Class 2.12 - Birch Management Corporation Credit Agreement Guarantee Secured Claims

a. *Claims in Class:* Class 2.12 consists of all Credit Agreement Guarantee Secured Claims against Birch Management Corporation. In the event that the Lender Settlement is approved by the Bankruptcy Court, then the Confirmation Order shall provide that the Birch Management Corporation Credit Agreement Guarantee Secured Claims are secured by enforceable first priority liens and security interests granted by Birch Management Corporation upon and in substantially all of Birch Management Corporation's assets and property of any kind including all proceeds thereof.

b. *Treatment:* In the event that the Lender Settlement is approved by the Bankruptcy Court, then on the Consummation Date, (i) Reorganized Birch Management Corporation shall enter into and execute (a) the New Secured Credit Agreement, as a guarantor of Reorganized Finance's obligations thereunder, and execute such other documents, instruments and agreements reasonably requested by the New Agent to confirm, affirm or grant to the lenders under the New Secured Credit Agreement a guarantee by Reorganized Birch Management Corporation of the indebtedness of Reorganized Finance under the New Secured Credit Agreement and related documents, (b) such documents, instruments and agreements reasonably requested by the New Agent to confirm, affirm or grant to the New Agent for the ratable benefit of the lenders under the New Secured Credit Agreement a duly perfected first priority lien on and security interest in all of the assets of Reorganized Birch Management Corporation owned on the Consummation Date or thereafter acquired (real, personal or mixed) subject to liens securing Other Secured Claims (to the extent Reinstated) and other permitted liens as provided in the New Secured Credit Agreement and (c) such other related documents, instruments and agreements as shall be reasonably requested by the New Agent pursuant to the terms of the New Secured Credit Agreement and related documents, including the New Guarantee and Collateral Agreement; and (ii) Birch Management Corporation and its Estate shall release the Agent and

the Lenders (each in such capacity)

c. If the Lender Settlement is not approved by the Bankruptcy Court on terms agreeable to the Lenders and Debtors: (A) on the Consummation Date each of the transactions and deliveries provided for in the foregoing paragraph shall occur except that Birch Management Corporation and its Estate shall not release the Agent and the Lenders; and (B) pending final resolution of the Creditor Trust Action, (i) any payments by Reorganized Birch Management Corporation of principal and interest due and owing under the New Promissory Note shall be paid to the Plan Trust Trustee, and (ii) only the Plan Trust Trustee, as directed by the Plan Trust Committee, may enforce the guarantee delivered by Reorganized Birch Management Corporation.

Class 2.13. - Birch Telecom of Arkansas, Inc. Credit Agreement Guarantee Secured Claims

a. *Claims in Class.* Class 2.13 consists of all Credit Agreement Guarantee Secured Claims against Birch Telecom of Arkansas, Inc. In the event that the Lender Settlement is approved by the Bankruptcy Court, then the Confirmation Order shall provide that the Birch Telecom of Arkansas, Inc. Credit Agreement Guarantee Secured Claims are secured by enforceable first priority liens and security interests granted by Birch Telecom of Arkansas, Inc. upon and in substantially all of Birch Telecom of Arkansas, Inc.'s assets and property of any kind including all proceeds thereof.

b. *Treatment.* In the event that the Lender Settlement is approved by the Bankruptcy Court, then on the Consummation Date, (i) Reorganized Birch Telecom of Arkansas, Inc. shall enter into and execute (a) the New Secured Credit Agreement, as a guarantor of Reorganized Finance's obligations thereunder, and execute such other documents, instruments and agreements reasonably requested by the New Agent to confirm, affirm or grant to the lenders under the New Secured Credit Agreement a guarantee by Reorganized Birch Telecom of Arkansas, Inc. of the indebtedness of Reorganized Finance under the New Secured Credit Agreement and related documents, (b) such documents, instruments and agreements reasonably requested by the New Agent to confirm, affirm or grant to the New Agent for the ratable benefit of the lenders under the New Secured Credit Agreement a duly perfected first priority lien on and security interest in all of the assets of Reorganized Birch Telecom of Arkansas, Inc. owned on the Consummation Date or thereafter acquired (real, personal or mixed) subject to liens securing Other Secured Claims (to the extent Reinstated) and other permitted liens as provided in the New Secured Credit Agreement and (c) such other related documents, instruments and agreements as shall be reasonably requested by the New Agent pursuant to the terms of the New Secured Credit Agreement and related documents, including the New Guarantee and Collateral Agreement; and (ii) Birch Telecom of Arkansas, Inc. and its Estate shall release the Agent and the Lenders (each in such capacity).

c. If the Lender Settlement is not approved by the Bankruptcy Court on terms agreeable to the Lenders and Debtors: (A) on the Consummation Date each of the transactions and deliveries provided for in the foregoing paragraph shall occur except that Birch Telecom of Arkansas, Inc. and its Estate shall not release the Agent and the Lenders; and (B) pending final resolution of the Creditor Trust Action, (i) any payments by Reorganized Birch Telecom of Arkansas, Inc. of principal and interest due and owing under the New Promissory Note shall be paid to the Plan Trust Trustee, and (ii) only the Plan Trust Trustee, as directed by the Plan Trust Committee, may enforce the guarantee delivered by Reorganized Birch Telecom of Arkansas, Inc.

Class 2.14. - Birch Telecom of Kansas, Inc. Credit Agreement Guarantee Secured Claims

a. *Claims in Class.* Class 2.14 consists of all Credit Agreement Guarantee Secured Claims against Birch Telecom of Kansas, Inc. In the event that the Lender Settlement is approved by the Bankruptcy Court, then the Confirmation Order shall provide that the Birch Telecom of Kansas, Inc. Credit Agreement Guarantee Secured Claims are secured by enforceable first priority liens and security interests granted by Birch Telecom of Kansas, Inc. upon and in substantially all of Birch Telecom of Kansas, Inc.'s assets and property of any kind including all proceeds thereof.

b. *Treatment.* In the event that the Lender Settlement is approved by the Bankruptcy Court, then on the Consummation Date, (i) Reorganized Birch Telecom of Kansas, Inc. shall enter into and execute (a) the New Secured Credit Agreement, as a guarantor of Reorganized Finance's obligations thereunder, and execute such other documents, instruments and agreements reasonably requested by the New Agent to confirm, affirm or grant to the lenders under the New Secured Credit Agreement a guarantee by Reorganized Birch Telecom of Kansas, Inc. of the indebtedness of

Reorganized Finance under the New Secured Credit Agreement and related documents, (b) such documents, instruments and agreements reasonably requested by the New Agent to confirm, affirm or grant to the New Agent for the ratable benefit of the lenders under the New Secured Credit Agreement a duly perfected first priority lien on and security interest in all of the assets of Reorganized Birch Telecom of Kansas, Inc. owned on the Consummation Date or thereafter acquired (real, personal or mixed) subject to liens securing Other Secured Claims (to the extent Reinstated) and other permitted liens as provided in the New Secured Credit Agreement and (c) such other related documents, instruments and agreements as shall be reasonably requested by the New Agent pursuant to the terms of the New Secured Credit Agreement and related documents, including the New Guarantee and Collateral Agreement; and (ii) Birch Telecom of Kansas, Inc. and its Estate shall release the Agent and the Lenders (each in such capacity).

c. If the Lender Settlement is not approved by the Bankruptcy Court on terms agreeable to the Lenders and Debtors: (A) on the Consummation Date each of the transactions and deliveries provided for in the foregoing paragraph shall occur except that Birch Telecom of Kansas, Inc. and its Estate shall not release the Agent and the Lenders; and (B) pending final resolution of the Creditor Trust Action, (i) any payments by Reorganized Birch Telecom of Kansas, Inc. of principal and interest due and owing under the New Promissory Note shall be paid to the Plan Trust Trustee, and (ii) only the Plan Trust Trustee, as directed by the Plan Trust Committee, may enforce the guarantee delivered by Reorganized Birch Telecom of Kansas, Inc.

Class 2.15 - Birch Telecom of Missouri, Inc. Credit Agreement Guarantee Secured Claims

a. *Claims in Class:* Class 2.15 consists of all Credit Agreement Guarantee Secured Claims against Birch Telecom of Missouri, Inc. In the event that the Lender Settlement is approved by the Bankruptcy Court, then the Confirmation Order shall provide that the Birch Telecom of Missouri, Inc. Credit Agreement Guarantee Secured Claims are secured by enforceable first priority liens and security interests granted by Birch Telecom of Missouri, Inc. upon and in substantially all of Birch Telecom of Missouri, Inc.'s assets and property of any kind including all proceeds thereof.

b. *Treatment:* In the event that the Lender Settlement is approved by the Bankruptcy Court, then on the Consummation Date, (i) Reorganized Birch Telecom of Missouri, Inc. shall enter into and execute (a) the New Secured Credit Agreement, as a guarantor of Reorganized Finance's obligations thereunder, and execute such other documents, instruments and agreements reasonably requested by the New Agent to confirm, affirm or grant to the lenders under the New Secured Credit Agreement a guarantee by Reorganized Birch Telecom of Missouri, Inc. of the indebtedness of Reorganized Finance under the New Secured Credit Agreement and related documents, (b) such documents, instruments and agreements reasonably requested by the New Agent to confirm, affirm or grant to the New Agent for the ratable benefit of the lenders under the New Secured Credit Agreement a duly perfected first priority lien on and security interest in all of the assets of Reorganized Birch Telecom of Missouri, Inc. owned on the Consummation Date or thereafter acquired (real, personal or mixed) subject to liens securing Other Secured Claims (to the extent Reinstated) and other permitted liens as provided in the New Secured Credit Agreement and (c) such other related documents, instruments and agreements as shall be reasonably requested by the New Agent pursuant to the terms of the New Secured Credit Agreement and related documents, including the New Guarantee and Collateral Agreement; and (ii) Birch Telecom of Missouri, Inc. and its Estate shall release the Agent and the Lenders (each in such capacity).

c. If the Lender Settlement is not approved by the Bankruptcy Court on terms agreeable to the Lenders and Debtors: (A) on the Consummation Date each of the transactions and deliveries provided for in the foregoing paragraph shall occur except that Birch Telecom of Missouri, Inc. and its Estate shall not release the Agent and the Lenders; and (B) pending final resolution of the Creditor Trust Action, (i) any payments by Reorganized Birch Telecom of Missouri, Inc. of principal and interest due and owing under the New Promissory Note shall be paid to the Plan Trust Trustee, and (ii) only the Plan Trust Trustee, as directed by the Plan Trust Committee, may enforce the guarantee delivered by Reorganized Birch Telecom of Missouri, Inc.

Class 2.16 - Birch Telecom of Nebraska, Inc. Credit Agreement Guarantee Secured Claims

a. *Claims in Class:* Class 2.16 consists of all Credit Agreement Guarantee Secured Claims against Birch Telecom of Nebraska, Inc. In the event that the Lender Settlement is approved by the Bankruptcy Court, then the Confirmation Order shall provide that the Birch Telecom of Nebraska, Inc. Credit Agreement Guarantee Secured Claims

are secured by enforceable first priority liens and security interests granted by Birch Telecom of Nebraska, Inc. upon and in substantially all of Birch Telecom of Nebraska, Inc.'s assets and property of any kind including all proceeds thereof.

b. *Treatment:* In the event that the Lender Settlement is approved by the Bankruptcy Court, then on the Consummation Date, (i) Reorganized Birch Telecom of Nebraska, Inc. shall enter into and execute (a) the New Secured Credit Agreement, as a guarantor of Reorganized Finance's obligations thereunder, and execute such other documents, instruments and agreements reasonably requested by the New Agent to confirm, affirm or grant to the lenders under the New Secured Credit Agreement a guarantee by Reorganized Birch Telecom of Nebraska, Inc. of the indebtedness of Reorganized Finance under the New Secured Credit Agreement and related documents, (b) such documents, instruments and agreements reasonably requested by the New Agent to confirm, affirm or grant to the New Agent for the ratable benefit of the lenders under the New Secured Credit Agreement a duly perfected first priority lien on and security interest in all of the assets of Reorganized Birch Telecom of Nebraska, Inc. owned on the Consummation Date or thereafter acquired (real, personal or mixed) subject to liens securing Other Secured Claims (to the extent Reinstated) and other permitted liens as provided in the New Secured Credit Agreement and (c) such other related documents, instruments and agreements as shall be reasonably requested by the New Agent pursuant to the terms of the New Secured Credit Agreement and related documents, including the New Guarantee and Collateral Agreement; and (ii) Birch Telecom of Nebraska, Inc. and its Estate shall release the Agent and the Lenders (each in such capacity).

c. If the Lender Settlement is not approved by the Bankruptcy Court on terms agreeable to the Lenders and Debtors: (A) on the Consummation Date each of the transactions and deliveries provided for in the foregoing paragraph shall occur except that Birch Telecom of Nebraska, Inc. and its Estate shall not release the Agent and the Lenders; and (B) pending final resolution of the Creditor Trust Action, (i) any payments by Reorganized Birch Telecom of Nebraska, Inc. of principal and interest due and owing under the New Promissory Note shall be paid to the Plan Trust Trustee, and (ii) only the Plan Trust Trustee, as directed by the Plan Trust Committee, may enforce the guarantee delivered by Reorganized Birch Telecom of Nebraska, Inc.

Class 2.17. - Birch Telecom of Oklahoma, Inc. Credit Agreement Guarantee Secured Claims

a. *Claims in Class:* Class 2.17 consists of all Credit Agreement Guarantee Secured Claims against Birch Telecom of Oklahoma, Inc. In the event that the Lender Settlement is approved by the Bankruptcy Court, then the Confirmation Order shall provide that the Birch Telecom of Oklahoma, Inc. Credit Agreement Guarantee Secured Claims are secured by enforceable first priority liens and security interests granted by Birch Telecom of Oklahoma, Inc. upon and in substantially all of Birch Telecom of Oklahoma, Inc.'s assets and property of any kind including all proceeds thereof.

b. *Treatment:* In the event that the Lender Settlement is approved by the Bankruptcy Court, then on the Consummation Date, (i) Reorganized Birch Telecom of Oklahoma, Inc. shall enter into and execute (a) the New Secured Credit Agreement, as a guarantor of Reorganized Finance's obligations thereunder, and execute such other documents, instruments and agreements reasonably requested by the New Agent to confirm, affirm or grant to the lenders under the New Secured Credit Agreement a guarantee by Reorganized Birch Telecom of Oklahoma, Inc. of the indebtedness of Reorganized Finance under the New Secured Credit Agreement and related documents, (b) such documents, instruments and agreements reasonably requested by the New Agent to confirm, affirm or grant to the New Agent for the ratable benefit of the lenders under the New Secured Credit Agreement a duly perfected first priority lien on and security interest in all of the assets of Reorganized Birch Telecom of Oklahoma, Inc. owned on the Consummation Date or thereafter acquired (real, personal or mixed) subject to liens securing Other Secured Claims (to the extent Reinstated) and other permitted liens as provided in the New Secured Credit Agreement and (c) such other related documents, instruments and agreements as shall be reasonably requested by the New Agent pursuant to the terms of the New Secured Credit Agreement and related documents, including the New Guarantee and Collateral Agreement; and (ii) Birch Telecom of Oklahoma, Inc. and its Estate shall release the Agent and the Lenders (each in such capacity).

c. If the Lender Settlement is not approved by the Bankruptcy Court on terms agreeable to the Lenders and Debtors: (A) on the Consummation Date each of the transactions and deliveries provided for in the foregoing paragraph shall occur except that Birch Telecom of Oklahoma, Inc. and its Estate shall not release the Agent and the Lenders; and (B) pending final resolution of the Creditor Trust Action, (i) any payments by Reorganized Birch Telecom of Oklahoma, Inc. of principal and interest due and owing under the New Promissory Note shall be paid to the Plan Trust Trustee, and (ii)

only the Plan Trust Trustee, as directed by the Plan Trust Committee, may enforce the guarantee delivered by Reorganized Birch Telecom of Oklahoma, Inc.

Class 2.18. - Birch Texas Holdings, Inc. Credit Agreement Guarantee Secured Claims

a. *Claims in Class:* Class 2.18 consists of all Credit Agreement Guarantee Secured Claims against Birch Texas Holdings, Inc. In the event that the Lender Settlement is approved by the Bankruptcy Court, then the Confirmation Order shall provide that the Birch Texas Holdings, Inc. Credit Agreement Guarantee Secured Claims are secured by enforceable first priority liens and security interests granted by Birch Texas Holdings, Inc. upon and in substantially all of Birch Texas Holdings, Inc.'s assets and property of any kind including all proceeds thereof.

b. *Treatment:* In the event that the Lender Settlement is approved by the Bankruptcy Court, then on the Consummation Date, (i) Reorganized Birch Texas Holdings, Inc. shall enter into and execute (a) the New Secured Credit Agreement, as a guarantor of Reorganized Finance's obligations thereunder, and execute such other documents, instruments and agreements reasonably requested by the New Agent to confirm, affirm or grant to the lenders under the New Secured Credit Agreement a guarantee by Reorganized Birch Texas Holdings, Inc. of the indebtedness of Reorganized Finance under the New Secured Credit Agreement and related documents, (b) such documents, instruments and agreements reasonably requested by the New Agent to confirm, affirm or grant to the New Agent for the ratable benefit of the lenders under the New Secured Credit Agreement a duly perfected first priority lien on and security interest in all of the assets of Reorganized Birch Texas Holdings, Inc. owned on the Consummation Date or thereafter acquired (real, personal or mixed) subject to liens securing Other Secured Claims (to the extent Reinstated) and other permitted liens as provided in the New Secured Credit Agreement and (c) such other related documents, instruments and agreements as shall be reasonably requested by the New Agent pursuant to the terms of the New Secured Credit Agreement and related documents, including the New Guarantee and Collateral Agreement; and (ii) Birch Texas Holdings, Inc. and its Estate shall release the Agent and the Lenders (each in such capacity).

c. If the Lender Settlement is not approved by the Bankruptcy Court on terms agreeable to the Lenders and Debtors: (A) on the Consummation Date each of the transactions and deliveries provided for in the foregoing paragraph shall occur except that Birch Texas Holdings, Inc. and its Estate shall not release the Agent and the Lenders; and (B) pending final resolution of the Creditor Trust Action, (i) any payments by Reorganized Birch Texas Holdings, Inc. of principal and interest due and owing under the New Promissory Note shall be paid to the Plan Trust Trustee, and (ii) only the Plan Trust Trustee, as directed by the Plan Trust Committee, may enforce the guarantee delivered by Reorganized Birch Texas Holdings, Inc.

Class 2.19. - Birch Telecom of the Great Lakes, Inc. Credit Agreement Guarantee Secured Claims

a. *Claims in Class:* Class 2.19 consists of all Credit Agreement Guarantee Secured Claims against Birch Telecom of the Great Lakes, Inc. In the event that the Lender Settlement is approved by the Bankruptcy Court, then the Confirmation Order shall provide that the Birch Telecom of the Great Lakes, Inc. Credit Agreement Guarantee Secured Claims are secured by enforceable first priority liens and security interests granted by Birch Telecom of the Great Lakes, Inc. upon and in substantially all of Birch Telecom of the Great Lakes, Inc.'s assets and property of any kind including all proceeds thereof.

b. *Treatment:* In the event that the Lender Settlement is approved by the Bankruptcy Court, then on the Consummation Date, (i) Reorganized Birch Telecom of the Great Lakes, Inc. shall enter into and execute (a) the New Secured Credit Agreement, as a guarantor of Reorganized Finance's obligations thereunder, and execute such other documents, instruments and agreements reasonably requested by the New Agent to confirm, affirm or grant to the lenders under the New Secured Credit Agreement a guarantee by Reorganized Birch Telecom of the Great Lakes, Inc. of the indebtedness of Reorganized Finance under the New Secured Credit Agreement and related documents, (b) such documents, instruments and agreements reasonably requested by the New Agent to confirm, affirm or grant to the New Agent for the ratable benefit of the lenders under the New Secured Credit Agreement a duly perfected first priority lien on and security interest in all of the assets of Reorganized Birch Telecom of the Great Lakes, Inc. owned on the Consummation Date or thereafter acquired (real, personal or mixed) subject to liens securing Other Secured Claims (to the extent Reinstated) and other permitted liens as provided in the New Secured Credit Agreement and (c) such other related documents, instruments and

agreements as shall be reasonably requested by the New Agent pursuant to the terms of the New Secured Credit Agreement and related documents, including the New Guarantee and Collateral Agreement; and (ii) Birch Telecom of the Great Lakes, Inc. and its Estate shall release the Agent and the Lenders (each in such capacity).

c. If the Lender Settlement is not approved by the Bankruptcy Court on terms agreeable to the Lenders and Debtors: (A) on the Consummation Date each of the transactions and deliveries provided for in the foregoing paragraph shall occur except that Birch Telecom of the Great Lakes, Inc. and its Estate shall not release the Agent and the Lenders; and (B) pending final resolution of the Creditor Trust Action, (i) any payments by Reorganized Birch Telecom of the Great Lakes, Inc. of principal and interest due and owing under the New Promissory Note shall be paid to the Plan Trust Trustee, and (ii) only the Plan Trust Trustee, as directed by the Plan Trust Committee, may enforce the guarantee delivered by Reorganized Birch Telecom of the Great Lakes, Inc.

Class 2.20. - Birch Telecom of the South, Inc. Credit Agreement Guarantee Secured Claims

a. *Claims in Class:* Class 2.20 consists of all Credit Agreement Guarantee Secured Claims against Birch Telecom of the South, Inc. In the event that the Lender Settlement is approved by the Bankruptcy Court, then the Confirmation Order shall provide that the Birch Telecom of the South, Inc. Credit Agreement Guarantee Secured Claims are secured by enforceable first priority liens and security interests granted by Birch Telecom of the South, Inc. upon and in substantially all of Birch Telecom of the South, Inc.'s assets and property of any kind including all proceeds thereof.

b. *Treatment:* In the event that the Lender Settlement is approved by the Bankruptcy Court, then on the Consummation Date, (i) Reorganized Birch Telecom of the South, Inc. shall enter into and execute (a) the New Secured Credit Agreement, as a guarantor of Reorganized Finance's obligations thereunder, and execute such other documents, instruments and agreements reasonably requested by the New Agent to confirm, affirm or grant to the lenders under the New Secured Credit Agreement a guarantee by Reorganized Birch Telecom of the South, Inc. of the indebtedness of Reorganized Finance under the New Secured Credit Agreement and related documents, (b) such documents, instruments and agreements reasonably requested by the New Agent to confirm, affirm or grant to the New Agent for the ratable benefit of the lenders under the New Secured Credit Agreement a duly perfected first priority lien on and security interest in all of the assets of Reorganized Birch Telecom of the South, Inc. owned on the Consummation Date or thereafter acquired (real, personal or mixed) subject to liens securing Other Secured Claims (to the extent Reinstated) and other permitted liens as provided in the New Secured Credit Agreement and (c) such other related documents, instruments and agreements as shall be reasonably requested by the New Agent pursuant to the terms of the New Secured Credit Agreement and related documents, including the New Guarantee and Collateral Agreement; and (ii) Birch Telecom of the South, Inc. and its Estate shall release the Agent and the Lenders (each in such capacity).

c. If the Lender Settlement is not approved by the Bankruptcy Court on terms agreeable to the Lenders and Debtors: (A) on the Consummation Date each of the transactions and deliveries provided for in the foregoing paragraph shall occur except that Birch Telecom of the South, Inc. and its Estate shall not release the Agent and the Lenders; and (B) pending final resolution of the Creditor Trust Action, (i) any payments by Reorganized Birch Telecom of the South, Inc. of principal and interest due and owing under the New Promissory Note shall be paid to the Plan Trust Trustee, and (ii) only the Plan Trust Trustee, as directed by the Plan Trust Committee, may enforce the guarantee delivered by Reorganized Birch Telecom of the South, Inc.

Class 2.21. - Birch Telecom of the West, Inc. Credit Agreement Guarantee Secured Claims

a. *Claims in Class:* Class 2.21 consists of all Credit Agreement Guarantee Secured Claims against Birch Telecom of the West, Inc. In the event that the Lender Settlement is approved by the Bankruptcy Court, then the Confirmation Order shall provide that the Birch Telecom of the West, Inc. Credit Agreement Guarantee Secured Claims are secured by enforceable first priority liens and security interests granted by Birch Telecom of the West, Inc. upon and in substantially all of Birch Telecom of the West, Inc.'s assets and property of any kind including all proceeds thereof.

b. *Treatment:* In the event that the Lender Settlement is approved by the Bankruptcy Court, then on the Consummation Date, (i) Reorganized Birch Telecom of the West, Inc. shall enter into and execute (a) the New Secured Credit Agreement, as a guarantor of Reorganized Finance's obligations thereunder, and execute such other

documents, instruments and agreements reasonably requested by the New Agent to confirm, affirm or grant to the lenders under the New Secured Credit Agreement a guarantee by Reorganized Birch Telecom of the West, Inc. of the indebtedness of Reorganized Finance under the New Secured Credit Agreement and related documents, (b) such documents, instruments and agreements reasonably requested by the New Agent to confirm, affirm or grant to the New Agent for the ratable benefit of the lenders under the New Secured Credit Agreement a duly perfected first priority lien on and security interest in all of the assets of Reorganized Birch Telecom of the West, Inc. owned on the Consummation Date or thereafter acquired (real, personal or mixed) subject to liens securing Other Secured Claims (to the extent Reinstated) and other permitted liens as provided in the New Secured Credit Agreement and (c) such other related documents, instruments and agreements as shall be reasonably requested by the New Agent pursuant to the terms of the New Secured Credit Agreement and related documents, including the New Guarantee and Collateral Agreement; and (ii) Birch Telecom of the West, Inc. and its Estate shall release the Agent and the Lenders (each in such capacity).

c. If the Lender Settlement is not approved by the Bankruptcy Court on terms agreeable to the Lenders and Debtors: (A) on the Consummation Date each of the transactions and deliveries provided for in the foregoing paragraph shall occur except that Birch Telecom of the West, Inc. and its Estate shall not release the Agent and the Lenders; and (B) pending final resolution of the Creditor Trust Action, (i) any payments by Reorganized Birch Telecom of the West, Inc. of principal and interest due and owing under the New Promissory Note shall be paid to the Plan Trust Trustee, and (ii) only the Plan Trust Trustee, as directed by the Plan Trust Committee, may enforce the guarantee delivered by Reorganized Birch Telecom of the West, Inc.

Class 2.22. - Capital Communications Corporation Credit Agreement Guarantee Secured Claims

a. *Claims in Class:* Class 2.22 consists of all Credit Agreement Guarantee Secured Claims against Capital Communications Corporation. In the event that the Lender Settlement is approved by the Bankruptcy Court, then the Confirmation Order shall provide that the Capital Communications Corporation Credit Agreement Guarantee Secured Claims are secured by enforceable first priority liens and security interests granted by Capital Communications Corporation upon and in substantially all of Capital Communications Corporation's assets and property of any kind including all proceeds thereof.

b. *Treatment:* In the event that the Lender Settlement is approved by the Bankruptcy Court, then on the Consummation Date, (i) Reorganized Capital Communications Corporation shall enter into and execute (a) the New Secured Credit Agreement, as a guarantor of Reorganized Finance's obligations thereunder, and execute such other documents, instruments and agreements reasonably requested by the New Agent to confirm, affirm or grant to the lenders under the New Secured Credit Agreement a guarantee by Reorganized Capital Communications Corporation of the indebtedness of Reorganized Finance under the New Secured Credit Agreement and related documents, (b) such documents, instruments and agreements reasonably requested by the New Agent to confirm, affirm or grant to the New Agent for the ratable benefit of the lenders under the New Secured Credit Agreement a duly perfected first priority lien on and security interest in all of the assets of Reorganized Capital Communications Corporation owned on the Consummation Date or thereafter acquired (real, personal or mixed) subject to liens securing Other Secured Claims (to the extent Reinstated) and other permitted liens as provided in the New Secured Credit Agreement and (c) such other related documents, instruments and agreements as shall be reasonably requested by the New Agent pursuant to the terms of the New Secured Credit Agreement and related documents, including the New Guarantee and Collateral Agreement; and (ii) Capital Communications Corporation and its Estate shall release the Agent and the Lenders (each in such capacity).

c. If the Lender Settlement is not approved by the Bankruptcy Court on terms agreeable to the Lenders and Debtors: (A) on the Consummation Date each of the transactions and deliveries provided for in the foregoing paragraph shall occur except that Capital Communications Corporation and its Estate shall not release the Agent and the Lenders; and (B) pending final resolution of the Creditor Trust Action, (i) any payments by Reorganized Capital Communications Corporation of principal and interest due and owing under the New Promissory Note shall be paid to the Plan Trust Trustee, and (ii) only the Plan Trust Trustee, as directed by the Plan Trust Committee, may enforce the guarantee delivered by Reorganized Capital Communications Corporation.

Class 2.23. - Dunn & Associates, Inc. Credit Agreement Guarantee Secured Claims

a. *Claims in Class:* Class 2.23 consists of all Credit Agreement Guarantee Secured Claims against Dunn & Associates, Inc. In the event that the Lender Settlement is approved by the Bankruptcy Court, then the Confirmation Order shall provide that the Dunn & Associates, Inc. Credit Agreement Guarantee Secured Claims are secured by enforceable first priority liens and security interests granted by Dunn & Associates, Inc. upon and in substantially all of Dunn & Associates, Inc.'s assets and property of any kind including all proceeds thereof.

b. *Treatment:* In the event that the Lender Settlement is approved by the Bankruptcy Court, then on the Consummation Date, (i) Reorganized Dunn & Associates, Inc. shall enter into and execute (a) the New Secured Credit Agreement, as a guarantor of Reorganized Finance's obligations thereunder, and execute such other documents, instruments and agreements reasonably requested by the New Agent to confirm, affirm or grant to the lenders under the New Secured Credit Agreement a guarantee by Reorganized Dunn & Associates, Inc. of the indebtedness of Reorganized Finance under the New Secured Credit Agreement and related documents, (b) such documents, instruments and agreements reasonably requested by the New Agent to confirm, affirm or grant to the New Agent for the ratable benefit of the lenders under the New Secured Credit Agreement a duly perfected first priority lien on and security interest in all of the assets of Reorganized Dunn & Associates, Inc. owned on the Consummation Date or thereafter acquired (real, personal or mixed) subject to liens securing Other Secured Claims (to the extent Reinstated) and other permitted liens as provided in the New Secured Credit Agreement and (c) such other related documents, instruments and agreements as shall be reasonably requested by the New Agent pursuant to the terms of the New Secured Credit Agreement and related documents, including the New Guarantee and Collateral Agreement; and (ii) Dunn & Associates, Inc. and its Estate shall release the Agent and the Lenders (each in such capacity).

c. If the Lender Settlement is not approved by the Bankruptcy Court on terms agreeable to the Lenders and Debtors: (A) on the Consummation Date each of the transactions and deliveries provided for in the foregoing paragraph shall occur except that Dunn & Associates, Inc. and its Estate shall not release the Agent and the Lenders; and (B) pending final resolution of the Creditor Trust Action, (i) any payments by Reorganized Dunn & Associates, Inc. of principal and interest due and owing under the New Promissory Note shall be paid to the Plan Trust Trustee, and (ii) only the Plan Trust Trustee, as directed by the Plan Trust Committee, may enforce the guarantee delivered by Reorganized Dunn & Associates, Inc.

Class 2.24. - I.S. Advertising, Inc. Credit Agreement Guarantee Secured Claims

a. *Claims in Class:* Class 2.24 consists of all Credit Agreement Guarantee Secured Claims against I.S. Advertising, Inc. In the event that the Lender Settlement is approved by the Bankruptcy Court, then the Confirmation Order shall provide that the I.S. Advertising, Inc. Credit Agreement Guarantee Secured Claims are secured by enforceable first priority liens and security interests granted by I.S. Advertising, Inc. upon and in substantially all of I.S. Advertising Inc.'s assets and property of any kind including all proceeds thereof.

b. *Treatment:* In the event that the Lender Settlement is approved by the Bankruptcy Court, then on the Consummation Date, (i) Reorganized I.S. Advertising, Inc. shall enter into and execute (a) the New Secured Credit Agreement, as a guarantor of Reorganized Finance's obligations thereunder, and execute such other documents, instruments and agreements reasonably requested by the New Agent to confirm, affirm or grant to the lenders under the New Secured Credit Agreement a guarantee by Reorganized I.S. Advertising, Inc. of the indebtedness of Reorganized Finance under the New Secured Credit Agreement and related documents, (b) such documents, instruments and agreements reasonably requested by the New Agent to confirm, affirm or grant to the New Agent for the ratable benefit of the lenders under the New Secured Credit Agreement a duly perfected first priority lien on and security interest in all of the assets of Reorganized I.S. Advertising, Inc. owned on the Consummation Date or thereafter acquired (real, personal or mixed) subject to liens securing Other Secured Claims (to the extent Reinstated) and other permitted liens as provided in the New Secured Credit Agreement and (c) such other related documents, instruments and agreements as shall be reasonably requested by the New Agent pursuant to the terms of the New Secured Credit Agreement and related documents, including the New Guarantee and Collateral Agreement; and (ii) I.S. Advertising, Inc. and its Estate shall release the Agent and the Lenders (each in such capacity).

c. If the Lender Settlement is not approved by the Bankruptcy Court on terms agreeable to the Lenders and Debtors: (A) on the Consummation Date each of the transactions and deliveries provided for in the foregoing paragraph shall occur except that I.S. Advertising, Inc. and its Estate shall not release the Agent and the Lenders; and (B) pending final resolution of the Creditor Trust Action, (i) any payments by Reorganized I.S. Advertising, Inc. of principal and interest due and owing under the New Promissory Note shall be paid to the Plan Trust Trustee, and (ii) only the Plan Trust Trustee, as directed by the Plan Trust Committee, may enforce the guarantee delivered by Reorganized I.S. Advertising, Inc.

Class 2.25 - Telesource Communications, Inc. Credit Agreement Guarantee Secured Claims

a. *Claims in Class:* Class 2.25 consists of all Credit Agreement Guarantee Secured Claims against Telesource Communications, Inc. In the event that the Lender Settlement is approved by the Bankruptcy Court, then the Confirmation Order shall provide that the Telesource Communications, Inc. Credit Agreement Guarantee Secured Claims are secured by enforceable first priority liens and security interests granted by Telesource Communications, Inc. upon and in substantially all of Telesource Communications, Inc.'s assets and property of any kind including all proceeds thereof.

b. *Treatment:* In the event that the Lender Settlement is approved by the Bankruptcy Court, then on the Consummation Date, (i) Reorganized Telesource Communications, Inc. shall enter into and execute (a) the New Secured Credit Agreement, as a guarantor of Reorganized Finance's obligations thereunder, and execute such other documents, instruments and agreements reasonably requested by the New Agent to confirm, affirm or grant to the lenders under the New Secured Credit Agreement a guarantee by Reorganized Telesource Communications, Inc. of the indebtedness of Reorganized Finance under the New Secured Credit Agreement and related documents, (b) such documents, instruments and agreements reasonably requested by the New Agent to confirm, affirm or grant to the New Agent for the ratable benefit of the lenders under the New Secured Credit Agreement a duly perfected first priority lien on and security interest in all of the assets of Reorganized Telesource Communications, Inc. owned on the Consummation Date or thereafter acquired (real, personal or mixed) subject to liens securing Other Secured Claims (to the extent Reinstated) and other permitted liens as provided in the New Secured Credit Agreement and (c) such other related documents, instruments and agreements as shall be reasonably requested by the New Agent pursuant to the terms of the New Secured Credit Agreement and related documents, including the New Guarantee and Collateral Agreement; and (ii) Telesource Communications, Inc. and its Estate shall release the Agent and the Lenders (each in such capacity).

c. If the Lender Settlement is not approved by the Bankruptcy Court on terms agreeable to the Lenders and Debtors: (A) on the Consummation Date each of the transactions and deliveries provided for in the foregoing paragraph shall occur except that Telesource Communications, Inc. and its Estate shall not release the Agent and the Lenders; and (B) pending final resolution of the Creditor Trust Action, (i) any payments by Reorganized Telesource Communications, Inc. of principal and interest due and owing under the New Promissory Note shall be paid to the Plan Trust Trustee, and (ii) only the Plan Trust Trustee, as directed by the Plan Trust Committee, may enforce the guarantee delivered by Reorganized Telesource Communications, Inc.

Class 2.26. - American Local Telecommunications L.L.C. Credit Agreement Guarantee Secured Claims

a. *Claims in Class:* Class 2.26 consists of all Credit Agreement Guarantee Secured Claims against American Local Telecommunications L.L.C. In the event that the Lender Settlement is approved by the Bankruptcy Court, then the Confirmation Order shall provide that the American Local Telecommunications L.L.C. Credit Agreement Guarantee Secured Claims are secured by enforceable first priority liens and security interests granted by American Local Telecommunications L.L.C. upon and in substantially all of American Local Telecommunications L.L.C.'s assets and property of any kind including all proceeds thereof.

b. *Treatment:* In the event that the Lender Settlement is approved by the Bankruptcy Court, then on the Consummation Date, (i) Reorganized American Local Telecommunications, L.L.C. shall enter into and execute (a) the New Secured Credit Agreement, as a guarantor of Reorganized Finance's obligations thereunder, and execute such other documents, instruments and agreements reasonably requested by the New Agent to confirm, affirm or grant to the lenders under the New Secured Credit Agreement a guarantee by Reorganized American Local Telecommunications L.L.C. of the indebtedness of Reorganized Finance under the New Secured Credit Agreement and related documents, (b) such documents, instruments and agreements reasonably requested by the New Agent to confirm, affirm or grant to the New Agent for the

ratable benefit of the lenders under the New Secured Credit Agreement a duly perfected first priority lien on and security interest in all of the assets of Reorganized American Local Telecommunications L.L.C. owned on the Consummation Date or thereafter acquired (real, personal or mixed) subject to liens securing Other Secured Claims (to the extent Reinstated) and other permitted liens as provided in the New Secured Credit Agreement and (c) such other related documents, instruments and agreements as shall be reasonably requested by the New Agent pursuant to the terms of the New Secured Credit Agreement and related documents, including the New Guarantee and Collateral Agreement; and (ii) American Local Telecommunications, L.L.C. and its Estate shall release the Agent and the Lenders (each in such capacity).

c. If the Lender Settlement is not approved by the Bankruptcy Court on terms agreeable to the Lenders and Debtors: (A) on the Consummation Date each of the transactions and deliveries provided for in the foregoing paragraph shall occur except that American Local Telecommunications L.L.C. and its Estate shall not release the Agent and the Lenders; and (B) pending final resolution of the Creditor Trust Action, (i) any payments by Reorganized American Local Telecommunications L.L.C. of principal and interest due and owing under the New Promissory Note shall be paid to the Plan Trust Trustee, and (ii) only the Plan Trust Trustee, as directed by the Plan Trust Committee, may enforce the guarantee delivered by Reorganized American Local Telecommunications L.L.C.

Class 2.27 - Birch Telecom of Texas Ltd., L.L.P. Credit Agreement Guarantee Secured Claims

a. *Claims in Class:* Class 2.27 consists of all Credit Agreement Guarantee Claims against Birch Telecom of Texas Ltd., L.L.P. As required under the Lender Settlement summarized in Article II.A, the Birch Telecom of Texas Ltd., L.L.P. Credit Agreement Guarantee Secured Claims are deemed secured by enforceable first priority liens and security interests granted by Birch Telecom of Texas Ltd., L.L.P. upon and in substantially all of Birch Telecom of Texas Ltd., L.L.P.'s assets and property of any kind including all proceeds thereof.

b. *Treatment:* In the event that the Lender Settlement is approved by the Bankruptcy Court, then on the Consummation Date, (i) Reorganized Birch Telecom of Texas Ltd., L.L.P. shall enter into and execute (a) the New Secured Credit Agreement, as a guarantor of Reorganized Finance's obligations thereunder, and execute such other documents, instruments and agreements reasonably requested by the New Agent to confirm, affirm or grant to the lenders under the New Secured Credit Agreement a guarantee by Reorganized Birch Telecom of Texas Ltd., L.L.P. of the indebtedness of Reorganized Finance under the New Secured Credit Agreement and related documents, (b) such documents, instruments and agreements reasonably requested by the New Agent to confirm, affirm or grant to the New Agent for the ratable benefit of the lenders under the New Secured Credit Agreement a duly perfected first priority lien on and security interest in all of the assets of Reorganized Birch Telecom of Texas Ltd., L.L.P. owned on the Consummation Date or thereafter acquired (real, personal or mixed) subject to liens securing Other Secured Claims (to the extent Reinstated) and other permitted liens as provided in the New Secured Credit Agreement and (c) such other related documents, instruments and agreements as shall be reasonably requested by the New Agent pursuant to the terms of the New Secured Credit Agreement and related documents, including the New Guarantee and Collateral Agreement; and (ii) Birch Telecom of Texas Ltd., L.L.P. and its Estate shall release the Agent and the Lenders (each in such capacity).

c. If the Lender Settlement is not approved by the Bankruptcy Court on terms agreeable to the Lenders and Debtors: (A) on the Consummation Date each of the transactions and deliveries provided for in the foregoing paragraph shall occur except that Birch Telecom of Texas Ltd., L.L.P. and its Estate shall not release the Agent and the Lenders; and (B) pending final resolution of the Creditor Trust Action, (i) any payments by Reorganized Birch Telecom of Texas Ltd., L.L.P. of principal and interest due and owing under the New Promissory Note shall be paid to the Plan Trust Trustee, and (ii) only the Plan Trust Trustee, as directed by the Plan Trust Committee, may enforce the guarantee delivered by Reorganized Birch Telecom of Texas Ltd., L.L.P.

Class 2.28 - G.B.S. Communications, Inc. Credit Agreement Guarantee Secured Claims

a. *Claims in Class:* Class 2.28 consists of all Credit Agreement Guarantee Secured Claims against G.B.S. Communications, Inc. In the event that the Lender Settlement is approved by the Bankruptcy Court, then the Confirmation Order shall provide that the G.B.S. Communications, Inc. Credit Agreement Guarantee Secured Claims are secured by enforceable first priority liens and security interests granted by G.B.S. Communications, Inc. upon and in substantially all of G.B.S. Communications, Inc.'s assets and property of any kind including all proceeds thereof.

b. *Treatment:* In the event that the Lender Settlement is approved by the Bankruptcy Court, then on the Consummation Date, (i) Reorganized G.B.S. Communications, Inc. shall enter into and execute (a) the New Secured Credit Agreement, as a guarantor of Reorganized Finance's obligations thereunder, and execute such other documents, instruments and agreements reasonably requested by the New Agent to confirm, affirm or grant to the lenders under the New Secured Credit Agreement a guarantee by Reorganized G.B.S. Communications, Inc. of the indebtedness of Reorganized Finance under the New Secured Credit Agreement and related documents, (b) such documents, instruments and agreements reasonably requested by the New Agent to confirm, affirm or grant to the New Agent for the ratable benefit of the lenders under the New Secured Credit Agreement a duly perfected first priority lien on and security interest in all of the assets of Reorganized G.B.S. Communications, Inc. owned on the Consummation Date or thereafter acquired (real, personal or mixed) subject to liens securing Other Secured Claims (to the extent Reinstated) and other permitted liens as provided in the New Secured Credit Agreement and (c) such other related documents, instruments and agreements as shall be reasonably requested by the New Agent pursuant to the terms of the New Secured Credit Agreement and related documents, including the New Guarantee and Collateral Agreement; and (ii) G.B.S. Communications, Inc. and its Estate shall release the Agent and the Lenders (each in such capacity).

c. If the Lender Settlement is not approved by the Bankruptcy Court on terms agreeable to the Lenders and Debtors: (A) on the Consummation Date each of the transactions and deliveries provided for in the foregoing paragraph shall occur except that G.B.S. Communications, Inc. and its Estate shall not release the Agent and the Lenders; and (B) pending final resolution of the Creditor Trust Action, (i) any payments by Reorganized G.B.S. Communications, Inc. of principal and interest due and owing under the New Promissory Note shall be paid to the Plan Trust Trustee, and (ii) only the Plan Trust Trustee, as directed by the Plan Trust Committee, may enforce the guarantee delivered by Reorganized G.B.S. Communications, Inc.

Class 2.29 - M.B.S. Leasing, Inc. Credit Agreement Guarantee Secured Claims

a. *Claims in Class:* Class 2.29 consists of all Credit Agreement Guarantee Secured Claims against M.B.S. Leasing, Inc. In the event that the Lender Settlement is approved by the Bankruptcy Court, then the Confirmation Order shall provide that the M.B.S. Leasing, Inc. Credit Agreement Guarantee Secured Claims are secured by enforceable first priority liens and security interests granted by M.B.S. Leasing, Inc. upon and in substantially all of M.B.S. Leasing, Inc.'s assets and property of any kind including all proceeds thereof.

b. *Treatment:* In the event that the Lender Settlement is approved by the Bankruptcy Court, then on the Consummation Date, (i) Reorganized M.B.S. Leasing, Inc. shall enter into and execute (a) the New Secured Credit Agreement, as a guarantor of Reorganized Finance's obligations thereunder, and execute such other documents, instruments and agreements reasonably requested by the New Agent to confirm, affirm or grant to the lenders under the New Secured Credit Agreement a guarantee by Reorganized M.B.S. Leasing, Inc. of the indebtedness of Reorganized Finance under the New Secured Credit Agreement and related documents, (b) such documents, instruments and agreements reasonably requested by the New Agent to confirm, affirm or grant to the New Agent for the ratable benefit of the lenders under the New Secured Credit Agreement a duly perfected first priority lien on and security interest in all of the assets of Reorganized M.B.S. Leasing, Inc. owned on the Consummation Date or thereafter acquired (real, personal or mixed) subject to liens securing Other Secured Claims (to the extent Reinstated) and other permitted liens as provided in the New Secured Credit Agreement and (c) such other related documents, instruments and agreements as shall be reasonably requested by the New Agent pursuant to the terms of the New Secured Credit Agreement and related documents, including the New Guarantee and Collateral Agreement; and (ii) M.B.S. Leasing, Inc. and its Estate shall release the Agent and the Lenders (each in such capacity).

c. If the Lender Settlement is not approved by the Bankruptcy Court on terms agreeable to the Lenders and Debtors: (A) on the Consummation Date each of the transactions and deliveries provided for in the foregoing paragraph shall occur except that M.B.S. Leasing, Inc. and its Estate shall not release the Agent and the Lenders; and (B) pending final resolution of the Creditor Trust Action, (i) any payments by Reorganized M.B.S. Leasing, Inc. of principal and interest due and owing under the New Promissory Note shall be paid to the Plan Trust Trustee, and (ii) only the Plan Trust Trustee, as directed by the Plan Trust Committee, may enforce the guarantee delivered by Reorganized M.B.S. Leasing, Inc.

3 *Class 3 - Other Secured Claims*

(a) *Claims in Class:* Each sub-Class of Class 3 Other Secured Claims contains a single Other Secured Claim and, in the aggregate, Class 3 includes all Other Secured Claims against all Debtors. Each sub-Class is a separate Class for all purposes under the Bankruptcy Code and the Plan, including for voting purposes. If the Claim of a holder of an Other Secured Claim exceeds the value of the Collateral that secures it, such holder will have an Other Secured Claim equal to the Collateral's value and a General Unsecured Claim for the deficiency.

(b) *Treatment:* The legal, equitable and contractual rights of the holders of Other Secured Claims are Unimpaired by the Plan. On the applicable Distribution Date, each holder of an Allowed Other Secured Claim shall receive in full satisfaction, settlement of and in exchange for, such Allowed Other Secured Claim, at the election of the Debtors: (a) to the extent due and owing on the Consummation Date, Cash in the amount of such Allowed Other Secured Claim in accordance with the terms of the underlying obligation; (b) to the extent not due and owing on the Consummation Date, Cash in the amount of such Allowed Other Secured Claim payable when and as such Claim becomes due and owing in the ordinary course of business in accordance with the terms of the underlying obligation; (c) such other treatment as to which the holder of such Claim and the Debtors or Reorganized Debtors agree in writing; or (d) such other treatment required to Reinstate such Allowed Other Secured Claim.

4. *Class 4A - Convenience Claims*

(a) *Claims in Class:* Class 4A consists of twenty-nine sub-Classes of Convenience Claims. Class 4.1A consists of all Convenience Claims against Birch. Class 4.2A consists of all Convenience Claims against Birch Telecom 1996, Inc. Class 4.3A consists of all Convenience Claims against Ionex Communications, Inc. Class 4.4A consists of all Convenience Claims against Ionex Communications North, Inc. Class 4.5A consists of all Convenience Claims against Ionex Communications South, Inc. Class 4.6A consists of all Convenience Claims against Ionex Telecommunications Leasing Inc. Class 4.7A consists of all Convenience Claims against Telecom Resources, Inc. Class 4.8A consists of all Convenience Claims against Birch Equipment, Inc. Class 4.9A consists of all Convenience Claims against Birch Internet Services, Inc. Class 4.10A consists of all Convenience Claims against Birch Kansas Holdings, Inc. Class 4.11A consists of all Convenience Claims against Birch Management Corporation. Class 4.12A consists of all Convenience Claims against Finance. Class 4.13A consists of all Convenience Claims against Birch Telecom of Arkansas, Inc. Class 4.14A consists of all Convenience Claims against Birch Telecom of Kansas, Inc. Class 4.15A consists of all Convenience Claims against Birch Telecom of Missouri, Inc. Class 4.16A consists of all Convenience Claims against Birch Telecom of Nebraska, Inc. Class 4.17A consists of all Convenience Claims against Birch Telecom of Oklahoma, Inc. Class 4.18A consists of all Convenience Claims against Birch Texas Holdings, Inc. Class 4.19A consists of all Convenience Claims against Birch Telecom of the Great Lakes, Inc. Class 4.20A consists of all Convenience Claims against Birch Telecom of the South, Inc. Class 4.21A consists of all Convenience Claims against Birch Telecom of the West, Inc. Class 4.22A consists of all Convenience Claims against Capital Communications Corporation. Class 4.23A consists of all Convenience Claims against Dunn & Associates, Inc. Class 4.24A consists of all Convenience Claims against I.S. Advertising, Inc. Class 4.25A consists of all Convenience Claims against Telesource Communications, Inc. Class 4.26A consists of all Convenience Claims against American Local Telecommunications L.L.C. Class 4.27A consists of all Convenience Claims against Birch Telecom of Texas Ltd., L.L.P. Class 4.28A consists of all Convenience Claims against G.B.S. Communications, Inc. Class 4.29A consists of all Convenience Claims against M.B.S. Leasing, Inc. Each sub-Class is deemed to be a separate Class for all purposes under the Bankruptcy Code and the Plan, including for voting purposes.

(b) *Treatment:* On the applicable Distribution Date, each holder of an Allowed Convenience Claim shall receive in full satisfaction, settlement of and in exchange for, such Allowed Convenience Claim, Cash in an amount equal to the lesser of \$125 and 25% of the amount of the Allowed Convenience Claim.

5. *Class 4 - General Unsecured Claims*

(a) *Claims in Class:* Class 4 consists of twenty-nine sub-Classes of General Unsecured Claims. Class 4.1 consists of all General Unsecured Claims against Birch. Class 4.2 consists of all General Unsecured Claims against Birch Telecom 1996, Inc. Class 4.3 consists of all General Unsecured Claims against Ionex Communications, Inc. Class 4.4 consists of all General Unsecured Claims against Ionex Communications North, Inc. Class 4.5 consists of all General

Unsecured Claims against Ionex Communications South, Inc. Class 4.6 consists of all General Unsecured Claims against Ionex Telecommunications Leasing Inc. Class 4.7 consists of all General Unsecured Claims against Telecom Resources, Inc. Class 4.8 consists of all General Unsecured Claims against Birch Equipment, Inc. Class 4.9 consists of all General Unsecured Claims against Birch Internet Services, Inc. Class 4.10 consists of all General Unsecured Claims against Birch Kansas Holdings, Inc. Class 4.11 consists of all General Unsecured Claims against Birch Management Corporation. Class 4.12 consists of all General Unsecured Claims against Finance. Class 4.13 consists of all General Unsecured Claims against Birch Telecom of Arkansas, Inc. Class 4.14 consists of all General Unsecured Claims against Birch Telecom of Kansas, Inc. Class 4.15 consists of all General Unsecured Claims against Birch Telecom of Missouri, Inc. Class 4.16 consists of all General Unsecured Claims against Birch Telecom of Nebraska, Inc. Class 4.17 consists of all General Unsecured Claims against Birch Telecom of Oklahoma, Inc. Class 4.18 consists of all General Unsecured Claims against Birch Texas Holdings, Inc. Class 4.19 consists of all General Unsecured Claims against Birch Telecom of the Great Lakes, Inc. Class 4.20 consists of all General Unsecured Claims against Birch Telecom of the South, Inc. Class 4.21 consists of all General Unsecured Claims against Birch Telecom of the West, Inc. Class 4.22 consists of all General Unsecured Claims against Capital Communications Corporation. Class 4.23 consists of all General Unsecured Claims against Dunn & Associates, Inc. Class 4.24 consists of all General Unsecured Claims against I.S. Advertising, Inc. Class 4.25 consists of all General Unsecured Claims against Telesource Communications, Inc. Class 4.26 consists of all General Unsecured Claims against American Local Telecommunications L.L.C. Class 4.27 consists of all General Unsecured Claims against Birch Telecom of Texas Ltd., L.L.P. Class 4.28 consists of all General Unsecured Claims against G.B.S. Communications, Inc. Class 4.29 consists of all General Unsecured Claims against M.B.S. Leasing, Inc. Each sub-Class is deemed to be a separate Class for all purposes under the Bankruptcy Code and the Plan, including for voting purposes.

(b) *Treatment:* If the Lender Settlement is approved by the Bankruptcy Court and the Committee does not object to the Plan, and affirmatively supports the Plan and recommends (in a manner reasonably agreeable to the Debtors and the Lenders) that holders of General Unsecured Claims and holders of Convenience Claims vote to accept the Plan, then on the Consummation Date the Debtors shall transfer the Class 4 Settlement Payment in the amount of \$2 million to the Class 4 Settlement Account. On the applicable Distribution Date, each holder of an Allowed General Unsecured Claim shall receive in full satisfaction, settlement, release and discharge of and in exchange for such Allowed General Unsecured Claim: (a) its Pro Rata share of the Available Class 4 Settlement Cash as directed by the Estate Representative, (b) treatment as a Convenience Claim if elected by the holder of such Allowed General Unsecured Claim or (c) such other treatment as to which the Estate Representative and the holder of such Allowed General Unsecured Claim have agreed upon in writing.

If the Lender Settlement is approved by the Bankruptcy Court and the Committee objects to the Plan and/or does not affirmatively support the Plan and recommend (in a manner reasonably agreeable to the Debtors and the Lenders) that holders of General Unsecured Claims and holders of Convenience Claims vote to accept the Plan, then the Debtors shall transfer the Class 4 Creditor Trust Payment in the amount of \$1,650,000 to the Class 4 Creditor Trust. On the applicable Distribution Date, each holder of an Allowed General Unsecured Claim shall receive in full satisfaction, settlement, release and discharge of and in exchange for such Allowed General Unsecured Claim: (a) its Pro Rata share of the Available Class 4 Creditor Trust Cash, subject to the terms and conditions of the Class 4 Creditor Trust Agreement, (b) treatment as a Convenience Claim if elected by the holder of such Allowed General Unsecured Claim or (c) such other treatment as to which the Class 4 Creditor Trust Trustee and the holder of such Allowed General Unsecured Claim have agreed upon in writing.

If the Lender Settlement is not approved by the Bankruptcy Court on terms agreeable to the Lenders and Debtors, and the Creditor Trust Action is Unsuccessful, then on the applicable Distribution Date, each holder of an Allowed General Unsecured Claim shall receive in full satisfaction, settlement, release and discharge of and in exchange for such Allowed General Unsecured Claim: (a) its Pro Rata share of the proceeds of the Assigned Avoidance Actions (sharing Pro Rata with the holders of Allowed Lender Deficiency Claims) after deducting Plan Trust Expenses (incurred in the prosecution and liquidation of Assigned Avoidance Actions), (b) treatment as a Convenience Claim if elected by the holder of such Allowed General Unsecured Claim or (c) such other treatment as to which the Class 4 Creditor Trust Trustee and the holder of such Allowed General Unsecured Claim have agreed upon in writing.

If the Lender Settlement is not approved by the Bankruptcy Court on terms agreeable to the Lenders and Debtors, and the Creditor Trust Action is Successful, on the applicable Distribution Date each holder of an Allowed General Unsecured Claim shall receive in full satisfaction, settlement, release and discharge of and in exchange for such Allowed General Unsecured Claim: (a) its Pro Rata share of Class 4 Creditor Trust Recoveries (sharing Pro Rata with the holders of

If the Lender Settlement is not approved by the Bankruptcy Court on terms agreeable to the Lenders and Debtors, and the Creditor Trust Action is Unsuccessful, then each holder of an Allowed Lender Deficiency Claim shall receive in full satisfaction, settlement of and in exchange for, such Allowed Lender Deficiency Claim, its Pro Rata share of the proceeds of the Assigned Avoidance Actions after deducting the Plan Trust Expenses (sharing Pro Rata with the holders of Allowed General Unsecured Claims).

If the Lender Settlement is not approved by the Bankruptcy Court on terms agreeable to the Lenders and Debtors, and the Creditor Trust Action is Successful, each holder of an Allowed Lender Deficiency Claim shall receive its Pro Rata share (after deducting Plan Trust Expenses) of (i) the proceeds of the Assigned Avoidance Actions after deducting Plan Trust Expenses (sharing Pro Rata with the holders of the Allowed General Unsecured Claims, to the extent ordered by a Final Order finally resolving the Creditor Trust Action), and (ii) the New Equity, the New Promissory Note, and other Plan Trust Assets that remain, if any, after distribution to the Class 4 Creditor Trust and holders of Allowed Secured Claims in accordance with a Final Order of the Bankruptcy Court finally resolving the Creditor Trust Action and the recovery rights of the Class 4 Creditor Trust.

7. Class 5 - Intercompany Claims

(a) *Claims in Class.* Class 5 consists of twenty-nine sub-Classes of Intercompany Claims. Class 5.1 consists of all Intercompany Claims against Birch. Class 5.2 consists of all Intercompany Claims against Birch Telecom 1995, Inc. Class 5.3 consists of all Intercompany Claims against Ionex Communications, Inc. Class 5.4 consists of all Intercompany Claims against Ionex Communications North, Inc. Class 5.5 consists of all Intercompany Claims against Ionex Telecommunications Leasing Inc. Class 5.7 consists of all Intercompany Claims against Telecom Resources, Inc. Class 5.8 consists of all Intercompany Claims against Birch Equipment, Inc. Class 5.9 consists of all Intercompany Claims against Birch Internet Services, Inc. Class 5.10 consists of all Intercompany Claims against Birch Kansas Holdings, Inc. Class 5.11 consists of all Intercompany Claims against Birch Management Corporation. Class 5.12 consists of all Intercompany Claims against Finance. Class 5.13 consists of all Intercompany Claims against Birch Telecom of Arkansas, Inc. Class 5.14 consists of all Intercompany Claims against Birch Telecom of Kansas, Inc. Class 5.15 consists of all Intercompany Claims against Birch Telecom of Missouri, Inc. Class 5.16 consists of all Intercompany Claims against Birch Telecom of Nebraska, Inc. Class 5.17 consists of all Intercompany Claims against Birch Telecom of Oklahoma, Inc. Class 5.18 consists of all Intercompany Claims against Birch Texas Holdings, Inc. Class 5.19 consists of all Intercompany Claims against Birch Telecom of the Great Lakes, Inc. Class 5.20 consists of all Intercompany Claims against Birch Telecom of the South, Inc. Class 5.21 consists of all Intercompany Claims against Birch Telecom of the West, Inc. Class 5.22 consists of all Intercompany Claims against Capital Communications Corporation. Class 5.23 consists of all Intercompany Claims against Dunn & Associates, Inc. Class 5.24 consists of all Intercompany Claims against I.S. Advertising, Inc. Class 5.25 consists of all Intercompany Claims against Telesource Communications, Inc. Class 5.26 consists of all Intercompany Claims against American Local Telecommunications L.L.C. Class 5.27 consists of all Intercompany Claims against Birch Telecom of Texas Ltd., L.L.P. Class 5.28 consists of all Intercompany Claims against G.B.S. Communications, Inc. Class 5.29 consists of all Intercompany Claims against M.B.S. Leasing, Inc. Each sub-Class is deemed to be a separate Class for all purposes under the Bankruptcy Code and the Plan, including for voting purposes.

(b) *Treatment:* The holders of Intercompany Claims shall not receive or retain any property under the Plan on account of such Claims. On the Consummation Date, all Intercompany Claims shall be deemed cancelled and extinguished.

8. Class 6 - Old Birch Series A Preferred Stock Interests

(a) *Interests in Class:* Class 6 consists of all Old Birch Series A Preferred Stock Interests.

(b) *Treatment:* The holders of Old Birch Series A Preferred Stock Interests shall not receive or retain any property under the Plan on account of such Interests. On the Consummation Date, all Old Birch Series A Preferred Stock Interests shall be deemed cancelled and extinguished.

9. *Class 7 - Old Birch Common Stock Interests*

(a) *Interests in Class:* Class 7 consists of all Old Birch Common Stock Interests.

(b) *Treatment:* The holders of Old Birch Common Stock Interests shall not receive or retain any property under the Plan on account of such Interests. On the Consummation Date, all Old Birch Common Stock shall be deemed cancelled and extinguished.

10. *Class 8 - Old Subsidiary Equity Interests*

(a) *Interests in Class:* Class 8 consists of twenty-eight separate sub-Classes of Old Subsidiary Equity Interests. Class 8.1 consists of all Old Subsidiary Equity Interests in Birch Telecom 1996, Inc. Class 8.2 consists of all Old Subsidiary Equity Interests in Ionex Communications, Inc. Class 8.3 consists of all Old Subsidiary Equity Interests in Ionex Communications North, Inc. Class 8.4 consists of all Old Subsidiary Equity Interests in Ionex Communications South, Inc. Class 8.5 consists of all Old Subsidiary Equity Interests in Ionex Telecommunications Leasing Inc. Class 8.6 consists of all Old Subsidiary Equity Interests in Telecom Resources, Inc. Class 8.7 consists of all Old Subsidiary Equity Interests in Birch Equipment, Inc. Class 8.8 consists of all Old Subsidiary Equity Interests in Birch Internet Services, Inc. Class 8.8 consists of all Old Subsidiary Equity Interests in Birch Kansas Holdings, Inc. Class 8.10 consists of all Old Subsidiary Equity Interests in Birch Management Corporation. Class 8.11 consists of all Old Subsidiary Equity Interests in Finance. Class 8.12 consists of all Old Subsidiary Equity Interests in Birch Telecom of Arkansas, Inc. Class 8.13 consists of all Old Subsidiary Equity Interests in Birch Telecom of Kansas, Inc. Class 8.14 consists of all Old Subsidiary Equity Interests in Birch Telecom of Missouri, Inc. Class 8.15 consists of all Old Subsidiary Equity Interests in Birch Telecom of Nebraska, Inc. Class 8.16 consists of all Old Subsidiary Equity Interests in Birch Telecom of Oklahoma, Inc. Class 8.17 consists of all Old Subsidiary Equity Interests in Birch Texas Holdings, Inc. Class 8.18 consists of all Old Subsidiary Equity Interests in Birch Telecom of the Great Lakes, Inc. Class 8.19 consists of all Old Subsidiary Equity Interests in Birch Telecom of the South, Inc. Class 8.20 consists of all Old Subsidiary Equity Interests in Birch Telecom of the West, Inc. Class 8.21 consists of all Old Subsidiary Equity Interests in Capital Communications Corporation. Class 8.22 consists of all Old Subsidiary Equity Interests in Dunn & Associates, Inc. Class 8.23 consists of all Old Subsidiary Equity Interests in I.S. Advertising, Inc. Class 8.24 consists of all Old Subsidiary Equity Interests in Telesource Communications, Inc. Class 8.25 consists of all Old Subsidiary Equity Interests in American Local Telecommunications L.L.C. Class 8.26 consists of all Old Subsidiary Equity Interests in Birch Telecom of Texas Ltd., L.L.P. Class 8.27 consists of all Old Subsidiary Equity Interests in G.B.S. Communications, Inc. Class 8.28 consists of all Old Subsidiary Equity Interests in M.B.S. Leasing, Inc. Each sub-Class is deemed to be a separate sub-Class for all purposes under the Bankruptcy Code and the Plan, including for voting purposes.

(b) *Treatment:* The holders of Old Subsidiary Equity Interests shall not receive or retain any property under the Plan on account of such Interests. On the Consummation Date, all Old Subsidiary Equity shall be deemed cancelled and extinguished.

11. *Class 9 - Other Equity Interests*

(a) *Interests in Class:* Class 9 consists of all Other Equity Interests.

(b) *Treatment:* The holders of Other Equity Interests shall not receive or retain any property under the Plan on account of such Interests. On the Consummation Date, all Other Equity Rights shall be deemed cancelled and extinguished.

12. *Class 10 - Subordinated Claims*

(a) *Claims in Class:* Class 10 consists of all Subordinated Claims.

(b) *Treatment:* The holders of Subordinated Claims shall not receive or retain any property under the Plan on account of such Claims. The Debtors do not believe that there are any Subordinated Claims and, therefore, the Debtors will object to any filed Subordinated Claims.

D. Allowed Claims

Notwithstanding any provision herein to the contrary, the Disbursing Agent, the Class 4 Creditor Trust Trustee, the Plan Trust Trustee or the Deficiency Claim Trust Trustee, as the case may be, shall only make distributions to holders of Allowed Claims. No holder of a Disputed Claim will receive any distribution on account thereof until and to the extent that its Disputed Claim becomes an Allowed Claim.

E. No Postpetition Interest

In accordance with section 502(b)(2) of the Bankruptcy Code, the amount of all Claims against the Debtors shall be calculated as of the Petition Date. Except as otherwise explicitly provided herein or in an order of the Bankruptcy Court, no holder of a Claim shall be entitled to or receive Postpetition Interest.

F. Special Provision Regarding Unimpaired Claims

Except as otherwise provided in the Plan, nothing shall affect the Debtors' or the Reorganized Debtors' respective rights and defenses, both legal and equitable, with respect to any Unimpaired Claim (including Claims that are Allowed pursuant to the Plan), including, without limitation, all rights with respect to legal and equitable defenses to setoffs or recoupments against Unimpaired Claims.

ARTICLE V.

MEANS FOR IMPLEMENTATION OF THE PLAN

A. Continued Existence and Vesting of Assets in Reorganized Debtors

The Reorganized Debtors shall continue to exist after the Consummation Date as separate corporate or other business entities, in accordance with the applicable law in the respective jurisdictions in which they are incorporated or formed and pursuant to their respective certificates of incorporation and bylaws or other governing documents as amended and restated on the Consummation Date. The Reorganized Birch Certificate of Incorporation and the Reorganized Birch Bylaws are attached hereto as Exhibits A-1 and A-2, respectively (filed as part of the Plan Supplement).

Among other things, the Debtors' existing certificates of incorporation or other governing documents shall be amended to include a provision prohibiting the issuance of nonvoting equity securities as required under section 1123(a)(6) of the Bankruptcy Code. In addition, the Reorganized Subsidiary Debtors' constituent documents will be amended as necessary to effect the issuance of their respective new common stock, limited partnership interests, general partnership interests and limited liability company membership interests.

On and after the Consummation Date, all property of the Estates, including all claims, rights and Causes of Action and any property acquired by the Debtors or the Reorganized Debtors under or in connection with the Plan, shall vest in the Reorganized Debtors, free and clear of all Claims, liens, charges, other encumbrances and Interests, except as otherwise provided in the Plan. On and after the Consummation Date, the Reorganized Debtors may operate their businesses and may use, acquire and dispose of property and compromise or settle any Claims without supervision of or approval by the Bankruptcy Court and free and clear of any restrictions of the Bankruptcy Code or Bankruptcy Rules other than restrictions expressly imposed by the Plan or the Confirmation Order. Without limiting the foregoing, the Reorganized Debtors may pay charges that they incur on and after the Consummation Date for Professionals' fees, disbursements, expenses or related support services without application to the Bankruptcy Court.

B. Cancellation of Securities and Agreements

On the Consummation Date, except as otherwise provided for in the Plan: (i) (a) a \$35 million portion of the indebtedness issued under the Credit Agreement shall be amended and restated as the New Secured Indebtedness under the New Secured Credit Agreement and (b) the remaining portion of such indebtedness and the Old Birch Series A Preferred

Stock, the Old Birch Common Stock, the Old Subsidiary Equity and the Other Equity Rights, to the extent not already cancelled, shall be deemed cancelled and of no further force or effect without any further action on the part of the Bankruptcy Court or any Person, (ii) the terms and conditions of the obligations of Birch and/or Finance under the Credit Agreement shall be amended and restated by the New Secured Credit Agreement, the New Guarantee and Collateral Agreement and the related documents and (iii) the Old Birch Series A Preferred Stock, the Old Birch Common Stock, the Old Subsidiary Equity and the Other Equity Rights and under any agreements, indentures or other designations governing the Old Birch Series A Preferred Stock, the Old Birch Common Stock, the Old Subsidiary Equity or the Other Equity Rights, including any currently existing control provisions between Birch and any party, shall be discharged; *provided, however*, that each agreement that governs the rights of the holder of a Lender Claim and that is administered by an agent shall continue in effect solely for the purposes of (a) allowing such agent to make the distributions to be made on account of such Claims under the Plan and (b) permitting such agent to maintain any rights it may have for indemnification, liens, fees, costs and expenses under such agreement. Additionally, the amendment and restatement of the Credit Agreement shall not impair the rights and duties thereunder as between the Agent and the Lenders. Notwithstanding anything in this paragraph or elsewhere in the Plan to the contrary, the filings and recordings of liens, mortgages, and security interests in any real property, personal property and fixtures of any of the Debtors in connection with the Credit Agreement shall not be extinguished, cancelled or discharged pursuant to the Plan or the Confirmation Order, and shall remain in full force and effect and applicable to the real and personal property securing the New Secured Credit Agreement to the extent such filings and recordings are not superseded by filings and recordings made in connection with the New Secured Credit Agreement; *provided, however*, that nothing in this sentence or the Plan shall preclude or restrict the Bankruptcy Court from entering any orders in connection with resolution of the Creditor Trust Action, if it is asserted, including orders that adjust the entitlements of the Lenders and Agents under the Plan to the extent necessary and appropriate in connection with the adjudication, settlement, compromise or other resolution of the Creditor Trust Action, if any.

C. Restructuring Transactions

1. New Common Stock

(a) Authorization

As of the Consummation Date, without the requirement of further act or action under applicable non-bankruptcy law, regulation, order or rule, Reorganized Birch is authorized to issue shares of New Common Stock in the proportions and amounts set forth herein.

(b) Issuance

On or as soon as practicable after the Consummation Date, shares of New Common Stock, as authorized pursuant to this Article V.C.1, shall be issued by Reorganized Birch pursuant to the Plan, without the requirement of further act or action under applicable non-bankruptcy law, regulation, order or rule.

(c) Management Incentive Plans

Management Incentive Plans shall be adopted by the board of directors of Reorganized Birch after the Consummation Date which may authorize the board of directors of Reorganized Birch to grant management employees of Reorganized Birch and its subsidiaries restricted shares of New Common Stock, options to acquire shares of New Common Stock and/or a cash bonus plan. Additionally, on or about the Consummation Date, certain key members of management may enter into employment contracts with Reorganized Birch, that would include the foregoing Management Incentive Plan features and may also include other incentives determined by reference to performance targets or recoveries to stockholders. The terms of any such Management Incentive Plan will be disclosed and filed as part of the Plan Supplement. The ultimate structure of all incentive plans, including eligibility criteria, allocations, performance targets, strike prices, vesting schedules, terms of the cash bonus plan, management employment contracts and other similar terms and management incentive arrangements, shall be determined and agreed upon by the compensation committee of the board of directors of Reorganized Birch.

2. *New Subsidiary Equity*

As of the Consummation Date, the respective new common stock, limited partnership interests and limited liability company membership interests in the Reorganized Subsidiary Debtors shall be authorized, issued and distributed so as to maintain the organizational structure of the Debtors substantially as such structure existed on the Petition Date.

(a) Reorganized Birch Telecom 1996, Inc.

As of the Consummation Date, without the requirement of further act or action under applicable non-bankruptcy law, regulation, order or rule, Reorganized Birch Telecom 1996, Inc. is authorized to issue and shall issue 1,000 shares of new common stock to Reorganized Birch.

(b) Reorganized Ionex Communications, Inc.

As of the Consummation Date, without the requirement of further act or action under applicable non-bankruptcy law, regulation, order or rule, Reorganized Ionex Communications, Inc. is authorized to issue and shall issue 10,000 shares of new common stock to Reorganized Birch.

(c) Reorganized Ionex Communications North, Inc.

As of the Consummation Date, without the requirement of further act or action under applicable non-bankruptcy law, regulation, order or rule, Reorganized Ionex Communications North, Inc. is authorized to issue and shall issue 1,064.14 shares of new common stock to Reorganized Birch.

(d) Reorganized Ionex Communications South, Inc.

As of the Consummation Date, without the requirement of further act or action under applicable non-bankruptcy law, regulation, order or rule, Reorganized Ionex Communications South, Inc. is authorized to issue and shall issue 1,000 shares of new common stock to Reorganized Birch.

(e) Reorganized Ionex Telecommunications Leasing Inc.

As of the Consummation Date, without the requirement of further act or action under applicable non-bankruptcy law, regulation, order or rule, Reorganized Ionex Telecommunications Leasing Inc. is authorized to issue and shall issue 100 shares of new common stock to Reorganized Birch.

(f) Reorganized Telecom Resources, Inc.

As of the Consummation Date, without the requirement of further act or action under applicable non-bankruptcy law, regulation, order or rule, Reorganized Telecom Resources, Inc. is authorized to issue and shall issue 1,000 shares of new common stock to Reorganized Birch.

(g) Reorganized Birch Equipment, Inc.

As of the Consummation Date, without the requirement of further act or action under applicable non-bankruptcy law, regulation, order or rule, Reorganized Birch Equipment, Inc. is authorized to issue and shall issue 100 shares of new common stock to Reorganized Birch Telecom 1996, Inc.

(h) Reorganized Birch Internet Services, Inc.

As of the Consummation Date, without the requirement of further act or action under applicable non-bankruptcy law, regulation, order or rule, Reorganized Birch Internet Services, Inc. is authorized to issue and shall issue 100 shares of new common stock to Reorganized Birch Telecom 1996, Inc.

(i) Reorganized Birch Kansas Holdings, Inc.

As of the Consummation Date, without the requirement of further act or action under applicable non-bankruptcy law, regulation, order or rule, Reorganized Birch Kansas Holdings, Inc. is authorized to issue and shall issue 100 shares of new common stock to Reorganized Birch Telecom 1996, Inc.

(j) Reorganized Birch Management Corporation

As of the Consummation Date, without the requirement of further act or action under applicable non-bankruptcy law, regulation, order or rule, Reorganized Birch Management Corporation is authorized to issue and shall issue 100 shares of new common stock to Reorganized Birch Telecom 1996, Inc.

(k) Reorganized Finance

As of the Consummation Date, without the requirement of further act or action under applicable non-bankruptcy law, regulation, order or rule, Reorganized Finance is authorized to issue and shall issue 100 shares of new common stock to Reorganized Birch Telecom 1996, Inc.

(l) Reorganized Birch Telecom of Arkansas, Inc.

As of the Consummation Date, without the requirement of further act or action under applicable non-bankruptcy law, regulation, order or rule, Reorganized Birch Telecom of Arkansas, Inc. is authorized to issue and shall issue 100 shares of new common stock to Reorganized Birch Telecom 1996, Inc.

(m) Reorganized Birch Telecom of Kansas, Inc.

As of the Consummation Date, without the requirement of further act or action under applicable non-bankruptcy law, regulation, order or rule, Reorganized Birch Telecom of Kansas, Inc. is authorized to issue and shall issue 100 shares of new common stock to Reorganized Birch Telecom 1996, Inc.

(n) Reorganized Birch Telecom of Missouri, Inc.

As of the Consummation Date, without the requirement of further act or action under applicable non-bankruptcy law, regulation, order or rule, Reorganized Birch Telecom of Missouri, Inc. is authorized to issue and shall issue 100 shares of new common stock to Reorganized Birch Telecom 1996, Inc.

(o) Reorganized Birch Telecom of Nebraska, Inc.

As of the Consummation Date, without the requirement of further act or action under applicable non-bankruptcy law, regulation, order or rule, Reorganized Birch Telecom of Nebraska, Inc. is authorized to issue and shall issue 100 shares of new common stock to Reorganized Birch Telecom 1996, Inc.

(p) Reorganized Birch Telecom of Oklahoma, Inc.

As of the Consummation Date, without the requirement of further act or action under applicable non-bankruptcy law, regulation, order or rule, Reorganized Birch Telecom of Oklahoma, Inc. is authorized to issue and shall issue 100 shares of new common stock to Reorganized Birch Telecom 1996, Inc.

(q) Reorganized Birch Texas Holdings, Inc.

As of the Consummation Date, without the requirement of further act or action under applicable non-bankruptcy law, regulation, order or rule, Reorganized Birch Texas Holdings, Inc. is authorized to issue and shall issue 100 shares of new common stock to Reorganized Birch Telecom 1996, Inc.

(r) Reorganized Birch Telecom of the Great Lakes, Inc.

As of the Consummation Date, without the requirement of further act or action under applicable non-bankruptcy law, regulation, order or rule, Reorganized Birch Telecom of the Great Lakes, Inc. is authorized to issue and shall issue 100 shares of new common stock to Reorganized Birch Telecom 1996, Inc.

(s) Reorganized Birch Telecom of the South, Inc.

As of the Consummation Date, without the requirement of further act or action under applicable non-bankruptcy law, regulation, order or rule, Reorganized Birch Telecom of the South, Inc. is authorized to issue and shall issue 100 shares of new common stock to Reorganized Birch Telecom 1996, Inc.

(t) Reorganized Birch Telecom of the West, Inc.

As of the Consummation Date, without the requirement of further act or action under applicable non-bankruptcy law, regulation, order or rule, Reorganized Birch Telecom of the West, Inc. is authorized to issue and shall issue 1,100 shares of new common stock to Reorganized Birch Telecom 1996, Inc.

(u) Reorganized Capital Communications Corporation

As of the Consummation Date, without the requirement of further act or action under applicable non-bankruptcy law, regulation, order or rule, Reorganized Capital Communications Corporation is authorized to issue and shall issue 100 shares of new common stock to Reorganized Birch Telecom 1996, Inc.

(v) Reorganized Dunn & Associates, Inc.

As of the Consummation Date, without the requirement of further act or action under applicable non-bankruptcy law, regulation, order or rule, Reorganized Dunn & Associates, Inc. is authorized to issue and shall issue 100 shares of new common stock to Reorganized Birch Telecom 1996, Inc.

(w) Reorganized I.S. Advertising, Inc.

As of the Consummation Date, without the requirement of further act or action under applicable non-bankruptcy law, regulation, order or rule, Reorganized I.S. Advertising, Inc. is authorized to issue and shall issue 100 shares of new common stock to Reorganized Birch Telecom 1996, Inc.

(x) Reorganized Telesource Communications, Inc.

As of the Consummation Date, without the requirement of further act or action under applicable non-bankruptcy law, regulation, order or rule, Reorganized Telesource Communications, Inc. is authorized to issue and shall issue 100 shares of new common stock to Reorganized Birch Telecom 1996, Inc.

(y) Reorganized American Local Telecommunications L.L.C.

As of the Consummation Date, without the requirement of further act or action under applicable non-bankruptcy law, regulation, order or rule, Reorganized American Local Telecommunications L.L.C. is authorized to issue and shall issue a 100% membership interest to Reorganized Birch Texas Holdings, Inc.

(z) Reorganized Birch Telecom of Texas Ltd., L.L.P.

As of the Consummation Date, without the requirement of further act or action under applicable non-bankruptcy law, regulation, order or rule, Reorganized Birch Telecom of Texas, Ltd. L.L.P. is authorized to issue and shall issue a 1% general partnership interest to Reorganized Birch Texas Holdings, Inc. and a 99% limited partnership interest to Reorganized Birch Telecom 1996, Inc., and the limited liability partnership is hereby deemed to elect to reconstitute and continue the limited

liability partnership and to designate Reorganized Birch Texas Holdings, Inc. as general partner.

(aa) Reorganized G.B.S. Communications, Inc.

As of the Consummation Date, without the requirement of further act or action under applicable non-bankruptcy law, regulation, order or rule, Reorganized G.B.S. Communications, Inc. is authorized to issue and shall issue 100 shares of new common stock to Reorganized Capital Communications Corporation.

(bb) Reorganized M.B.S. Leasing, Inc.

As of the Consummation Date, without the requirement of further act or action under applicable non-bankruptcy law, regulation, order or rule, Reorganized M.B.S. Leasing, Inc. is authorized to issue and shall issue 100 shares of new common stock to Reorganized G.B.S. Communications, Inc.

3. *New Credit Agreements*

(a) New Secured Credit Agreement

On the Consummation Date, (i) the New Secured Credit Agreement, together with the New Promissory Note evidencing the obligations of Reorganized Finance thereunder, and all other documents, instruments and agreements to be entered into, delivered or confirmed thereunder on the Consummation Date, shall become effective, and (ii) Reorganized Finance shall execute the New Secured Credit Agreement, the New Promissory Note and all other documents, instruments and agreements to be entered into, delivered or confirmed in connection with the New Secured Credit Agreement. Notwithstanding anything herein to the contrary, payment obligations under the New Promissory Note issued pursuant to the New Secured Credit Agreement, and all obligations under the New Secured Credit Agreement and related documents, including the New Guarantee and Collateral Agreement, shall be subject to repayment and performance by the obligors thereunder, on the terms set forth in the New Secured Credit Agreement and related documents.

(b) New Guarantee and Collateral Agreement

On the Consummation Date, (i) the New Guarantee and Collateral Agreement, and all other documents, instruments and agreements to be entered into, delivered or confirmed thereunder on the Consummation Date, shall become effective, and (ii) Reorganized Finance and the Reorganized Guarantor Debtors shall execute the New Guarantee and Collateral Agreement, and all other documents, instruments and agreements to be entered into, delivered or confirmed in connection with the New Guarantee and Collateral Agreement.

(c) *Stockholders' Rights Agreement*

In the event that the Lender Settlement is approved by the Bankruptcy Court, then on or prior to the Consummation Date, Reorganized Birch and the holders of the New Equity shall enter into the Stockholders' Rights Agreement. If the Lender Settlement is not approved by the Bankruptcy Court on terms agreeable to the Lenders and the Debtors, then the holders of New Equity following and pursuant to a Final Order finally resolving the Creditor Trust Action shall enter into the Stockholders' Rights Agreement.

D. The Class 4 Creditor Trust

1. *Appointment of Class 4 Creditor Trust Trustee*

(a) The Class 4 Creditor Trust Trustee for the Class 4 Creditor Trust shall be designated by the Committee. At least five (5) days prior to the Confirmation Hearing, the Committee shall file with the Bankruptcy Court a notice designating the Person who it has selected as Class 4 Creditor Trust Trustee. The Person designated as Class 4 Creditor Trust Trustee shall file with the Bankruptcy Court prior to the Confirmation Hearing an affidavit demonstrating that such Person is disinterested as defined by section 101(14) of the Bankruptcy Code. In the absence of a Committee Settlement or if the Lender Settlement is not approved by the Bankruptcy Court on terms agreeable to the Debtors and the Lenders, such

Person shall become the Class 4 Creditor Trust Trustee upon the Bankruptcy Court entering an order approving the Class 4 Creditor Trust Trustee designated by the Committee, after consideration of the same and any objections thereto at the Confirmation Hearing.

(b) Absent the Committee Settlement or if the Lender Settlement is not approved by the Bankruptcy Court on terms agreeable to the Debtors and the Lenders, the Class 4 Creditor Trust Trustee shall have and perform all of the duties, responsibilities, rights and obligations set forth in the Class 4 Creditor Trust Agreement and shall be entitled to reasonable compensation out of the assets of the Class 4 Creditor Trust as set forth therein without further application to or order of the Bankruptcy Court.

2. Assignment of Class 4 Creditor Trust Assets to the Class 4 Creditor Trust

If the Lender Settlement is approved by the Bankruptcy Court and the Committee objects to the Plan and/or does not affirmatively support the Plan and recommend (in a manner reasonably agreeable to the Debtors and the Lenders) that holders of General Unsecured Claims and holders of Convenience Claims vote to accept the Plan, then on the Consummation Date, the Debtors shall transfer to the Class 4 Creditor Trust, for and on behalf of the beneficiaries of the Class 4 Creditor Trust, the Class 4 Creditor Trust Payment in the amount of \$1,650,000.

If the Lender Settlement is not approved by the Bankruptcy Court on terms agreeable to the Lenders and Debtors, then on the Consummation Date, the Debtors shall transfer and shall be deemed to have transferred to the Class 4 Creditor Trust, for and on behalf of the beneficiaries of the Class 4 Creditor Trust, (i) the Creditor Trust Action and (ii) the Class 4 Creditor Trust Payment in the amount of \$50,000.

3. *The Class 4 Creditor Trust*

(a) In the absence of a Committee Settlement or if the Lender Settlement is not approved by the Bankruptcy Court on terms agreeable to the Debtors and the Lenders, on the Consummation Date and without any further action of the directors or shareholders of the Debtors, the Class 4 Creditor Trust Agreement, substantially in the form of Exhibit E hereto (filed as part of the Plan Supplement), shall become effective. The Class 4 Creditor Trust Trustee shall accept the Class 4 Creditor Trust and sign the Class 4 Creditor Trust Agreement on that date and the Class 4 Creditor Trust will then be deemed created and effective.

(b) In the absence of a Committee Settlement or if the Lender Settlement is not approved by the Bankruptcy Court on terms agreeable to the Debtors and the Lenders, the Class 4 Creditor Trust Trustee shall have full authority to take any steps necessary to administer the Class 4 Creditor Trust Agreement, including, without limitation, the duty and obligation (i) to liquidate Class 4 Creditor Trust Assets, (ii) to administer the allowance/disallowance of all Disputed General Unsecured Claims, (iii) to prosecute objections to General Unsecured Claims, (iv) to make distributions to the holders of Allowed General Unsecured Claims entitled to distributions (if any) from the Class 4 Creditor Trust and (v) to prosecute and/or settle the Creditor Trust Action if the Lender Settlement is not approved by the Bankruptcy Court. Upon the Consummation Date, the Class 4 Creditor Trust Trustee, on behalf of the Class 4 Creditor Trust, shall assume and be responsible for the foregoing duties and obligations, and the Debtors, the Disbursing Agent and the Reorganized Debtors shall have no other further rights or obligations with respect thereto.

(c) In the absence of a Committee Settlement or if the Lender Settlement is not approved by the Bankruptcy Court on terms agreeable to the Debtors and the Lenders, the Class 4 Creditor Trust Trustee shall take such steps as it deems necessary to reduce the Class 4 Creditor Trust Assets to Cash to make distributions required hereunder, provided that the Class 4 Creditor Trust Trustee's actions with respect to disposition of the Class 4 Creditor Trust Assets should be taken in such a manner so as reasonably to maximize the value of the Class 4 Creditor Trust Assets.

(d) All costs and expenses associated with the administration of the Class 4 Creditor Trust, including those rights, obligations and duties described in this Article V.D of the Plan, shall be the sole responsibility of and paid by the Class 4 Creditor Trust and paid out of Class 4 Creditor Trust Assets.

(e) The Class 4 Creditor Trust Trustee may retain such law firms, accounting firms, experts, advisors, consultants, investigators, appraisers, auctioneers or other professionals as it may deem necessary (collectively, the "Class 4 Creditor Trust Trustee Professionals"), in its sole discretion, to aid in the performance of its responsibilities pursuant to the terms of this Plan including, without limitation, the liquidation and distribution of Class 4 Creditor Trust Assets.

(f) For federal income tax purposes, it is intended that the Class 4 Creditor Trust be classified as a liquidating trust under section 301.7701-4(d) of the Treasury Regulations and that such trust is owned by the holders of Allowed General Unsecured Claims (collectively, the "Beneficiaries"). Accordingly, for federal income tax purposes, it is intended that the Beneficiaries be treated as if they had received a distribution of an undivided interest in each of the Class 4 Creditor Trust Assets and then contributed such interests to the Class 4 Creditor Trust.

(g) The Class 4 Creditor Trust Trustee shall be responsible for filing all federal, state and local tax returns for the Class 4 Creditor Trust. The Class 4 Creditor Trust Trustee shall comply with all withholding and reporting requirements imposed by any federal, state, local or foreign taxing authority, and all distributions made by the Class 4 Creditor Trust Trustee shall be subject to any such withholding and reporting requirements. The Class 4 Creditor Trust shall terminate on the later of (i) the tenth (10) anniversary of the Confirmation Date or (ii) the distribution of all property in accordance with the terms of the Class 4 Creditor Trust Agreement.

E. The Deficiency Claim Trust

1. Appointment of Deficiency Claim Trust Trustee

(a) If the Deficiency Claim Trust Agreement becomes effective, the Deficiency Claim Trust Trustee for the Deficiency Claim Trust shall be the Agent. In the event that the Lender Settlement is approved by the Bankruptcy Court and the Committee objects to the Plan and/or does not affirmatively support the Plan and recommend (in a manner reasonably agreeable to the Debtors and the Lenders) that holders of General Unsecured Claims and holders of Convenience Claims vote to accept the Plan, the Agent shall become the Deficiency Claim Trust Trustee upon the Bankruptcy Court entering an order approving the Agent as Deficiency Claim Trust Trustee after consideration of the same and any objections thereto at the Confirmation Hearing.

(b) The Deficiency Claim Trust Trustee shall have and perform all of the duties, responsibilities, rights and obligations set forth in the Deficiency Claim Trust Agreement and shall be entitled to reasonable compensation as set forth therein without further application to or order of the Bankruptcy Court.

2. Assignment of Deficiency Claim Trust Assets to the Deficiency Claim Trust

If the Lender Settlement is approved by the Bankruptcy Court and the Committee objects to the Plan, and/or does not affirmatively support the Plan and recommend (in a manner reasonably agreeable to the Debtors and the Lenders) that holders of General Unsecured Claims and holders of Convenience Claims vote to accept the Plan, then on the Consummation Date, the Debtors shall transfer and shall be deemed to have transferred to the Deficiency Claim Trust, for and on behalf of the beneficiaries of the Deficiency Claim Trust, the Deficiency Claim Trust Assets, being the Reserved Avoidance Actions and the Deficiency Claim Trust Payment in the amount of \$50,000.

3. The Deficiency Claim Trust

(a) Without any further action of the directors or shareholders of the Debtors, on the Consummation Date, the Deficiency Claim Trust Agreement, substantially in the form of Exhibit F hereto (filed as part of the Plan Supplement), shall become effective, but only if the Lender Settlement is approved by the Bankruptcy Court and the Committee objects to the Plan and/or does not affirmatively support the Plan and recommend (in a manner reasonably agreeable to the Debtors and the Lenders) that holders of General Unsecured Claims and holders of Convenience Claims vote to accept the Plan. The Deficiency Claim Trust Trustee shall accept the Deficiency Claim Trust and sign the Deficiency Claim Trust Agreement on that date and the Deficiency Claim Trust will then be deemed created and effective.

(b) The Deficiency Claim Trust Trustee shall have full authority to take any steps necessary to administer the Deficiency Claim Trust Agreement, including, without limitation, the duty and obligation (i) to liquidate Deficiency Claim Trust Assets, (ii) to prosecute, litigate, settle, release and/or waive the Reserved Avoidance Actions (or, in its sole discretion, decline to do any of the foregoing), (iii) to make distributions to the holders of Lender Deficiency Claims entitled to distributions from the Deficiency Claim Trust and (iv) to pursue and settle Reserved Avoidance Actions. The Deficiency Claim Trust Trustee, on behalf of the Deficiency Claim Trust, shall assume and be responsible for the foregoing responsibilities, duties and obligations, and the Debtors, the Disbursing Agent and the Reorganized Debtors shall have no other further rights or obligations with respect thereto.

(c) The Deficiency Claim Trust Trustee shall take such steps as it deems necessary to reduce the Deficiency Claim Trust Assets to Cash to make distributions required hereunder, provided that the Deficiency Claim Trust Trustee's actions with respect to disposition of the Deficiency Claim Trust Assets should be taken in such a manner so as reasonably to maximize the value of the Deficiency Claim Trust Assets in a manner consistent with the objectives of the holders of Allowed Lender Deficiency Claims.

(d) All costs and expenses associated with the administration of the Deficiency Claim Trust, including those rights, obligations and duties described in this Article V E of the Plan, shall be the responsibility of and paid by the Deficiency Claim Trust.

(e) The Deficiency Claim Trust Trustee may retain such law firms, accounting firms, experts, advisors, consultants, investigators, appraisers, auctioneers or other professionals as it may deem necessary (collectively, the "Deficiency Claim Trust Trustee Professionals"), in its sole discretion, to aid in the performance of its responsibilities pursuant to the terms of this Plan including, without limitation, the liquidation and distribution of Deficiency Claim Trust Assets.

(f) For federal income tax purposes, it is intended that the Deficiency Claim Trust be classified as a liquidating trust under section 301.7701-4(d) of the Treasury Regulations and that such trust is owned by the holders of Allowed Lender Deficiency Claims (collectively, the "Beneficiaries"). Accordingly, for federal income tax purposes, it is intended that the Beneficiaries be treated as if they had received a distribution of an undivided interest in each of the Deficiency Claim Trust Assets and then contributed such interests to the Deficiency Claim Trust.

(g) The Deficiency Claim Trust Trustee shall be responsible for filing all federal, state and local tax returns for the Deficiency Claim Trust. The Deficiency Claim Trust Trustee shall comply with all withholding and reporting requirements imposed by any federal, state, local or foreign taxing authority, and all distributions made by the Deficiency Claim Trust Trustee shall be subject to any such withholding and reporting requirements. The Deficiency Claim Trust shall terminate on the later of (i) the tenth (10) anniversary of the Confirmation Date or (ii) the distribution of all property in accordance with the terms of the Deficiency Claim Trust Agreement.

F. The Plan Trust

1. Appointment of Plan Trust Trustee

(a) The Plan Trust Trustee for the Plan Trust shall be designated by the Debtors after consultation with the Agent and the Committee. At least five (5) days prior to the Confirmation Hearing, the Debtors shall file with the Bankruptcy Court a notice designating the Person who has been selected as Plan Trust Trustee. The Person designated as Plan Trust Trustee shall file with the Bankruptcy Court prior to the Confirmation Hearing an affidavit demonstrating that such Person is disinterested as defined by section 101(14) of the Bankruptcy Code. In the event that the Lender Settlement is not approved by the Bankruptcy Court on terms agreeable to the Lenders and Debtors, the Person shall become the Plan Trust Trustee upon the Bankruptcy Court entering an order approving the Plan Trust Trustee designated by the Debtors, after consideration of the same and any objections thereto at the Confirmation Hearing.

(b) The Plan Trust Trustee shall have and perform all of the duties, responsibilities, rights and obligations set forth in the Plan Trust Agreement and shall be entitled to reasonable compensation as set forth therein without further application to or order of the Bankruptcy Court.

2. Assignment of Plan Trust Assets to the Plan Trust

If the Lender Settlement is not approved by the Bankruptcy Court on terms agreeable to the Lenders and Debtors, then on the Consummation Date, the Debtors shall transfer and shall be deemed to have transferred to the Plan Trust, for and on behalf of the beneficiaries of the Plan Trust, the Plan Trust Assets, being the New Equity, New Promissory Note, the Assigned Avoidance Actions and the Plan Trust Payment in the amount of \$75,000.

3. The Plan Trust

(a) Without any further action of the directors or shareholders of the Debtors, on the Consummation Date, the Plan Trust Agreement, substantially in the form of Exhibit G hereto (filed as part of the Plan Supplement), shall become effective, but only if the Lender Settlement is not approved by the Bankruptcy Court on terms agreeable to the Lenders and Debtors. The Plan Trust Trustee shall accept the Plan Trust and sign the Plan Trust Agreement on that date and the Plan Trust will then be deemed created and effective.

(b) The Plan Trust Trustee shall have full authority to take any steps necessary to administer the Plan Trust Agreement, including, without limitation, the duty and obligation (i) to preserve and maximize Plan Trust Assets, (ii) to make distributions to or for the benefit of the holders of Allowed Claims entitled to distributions from the Plan Trust, including holders of Allowed Lender Claims and (by making transfers to the Class 4 Creditor Trust) holders of Allowed General Unsecured Claims, and (iii) to prosecute and/or settle in its sole discretion the Assigned Avoidance Actions. The Plan Trust Trustee, on behalf of the Plan Trust, shall assume and be responsible for all of the foregoing responsibilities, duties and obligations, and the Debtors, the Disbursing Agent and the Reorganized Debtors shall have no other further rights or obligations with respect thereto.

(c) To the extent consistent with the Plan, the Plan Trust Trustee shall take such steps as it deems necessary to reduce the Plan Trust Assets to Cash to make distributions required hereunder, provided that the Plan Trust Trustee's actions with respect to the disposition of the Plan Trust Assets should be taken in such a manner so as reasonably to maximize the value of the Plan Trust Assets.

(d) All costs and expenses associated with the administration of the Plan Trust, including those rights, obligations and duties described in this Article V.F of the Plan, shall be the sole responsibility of and paid by the Plan Trust out of Plan Trust Assets.

(e) The Plan Trust Trustee may retain such law firms, accounting firms, experts, advisors, consultants, investigators, appraisers, auctioneers or other professionals as it may deem necessary (collectively, the "Plan Trust Trustee Professionals"), in its sole discretion, to aid in the performance of its responsibility pursuant to the terms of this Plan including, without limitation, the liquidation and distribution of Plan Trust Assets.

(f) For federal income tax purposes, it is intended that the Plan Trust be classified as a liquidating trust under section 301.7701-4(d) of the Treasury Regulations and that such trust is owned by the holders of Allowed Lender Claims and the Plan Trust Trustee for the benefit of Allowed General Unsecured Creditors (collectively, the "Beneficiaries"). Accordingly, for federal income tax purposes, it is intended that the Beneficiaries be treated as if they had received a distribution of an undivided interest in each of the Plan Trust Assets and then contributed such interests to the Plan Trust.

(g) The Plan Trust Trustee shall be responsible for filing all federal, state and local tax returns for the Plan Trust. The Plan Trust Trustee shall comply with all withholding and reporting requirements imposed by any federal, state, local or foreign taxing authority, and all distributions made by the Plan Trust Trustee shall be subject to any such withholding and reporting requirements. The Plan Trust shall terminate on the [later] of (i) the tenth (10) anniversary of the Confirmation Date or (ii) the distribution of all property in accordance with the terms of the Plan Trust Agreement.

G. Directors, Officers and Managers of the Reorganized Debtors

1. Board of Directors of Reorganized Birch

On the Consummation Date, the operation of Reorganized Birch shall become the general responsibility of its board of directors, subject to, and in accordance with, the Reorganized Birch Certificate of Incorporation and the Reorganized Birch Bylaws. The initial board of directors of Reorganized Birch (i) shall consist of no more than seven directors, which shall be selected as follows (a) by the Agent, if the Lender Settlement is approved by the Bankruptcy Court or (b) if the Lender Settlement is not approved by the Bankruptcy Court on terms agreeable to the Lenders and Debtors, the directors shall consist of the CEO of Reorganized Birch, four directors designated by the Agent, one director designated by the Committee, and one director designated by Birch. The directors so selected shall be disclosed in a Plan Supplement or such other filing as may be made with the Bankruptcy Court. The board of directors of the Subsidiary Debtors, if applicable, shall be set forth in the Plan Supplement or such other filing as may be made with the Bankruptcy Court.

2. Officers of the Reorganized Debtors

The current officers of each of the Reorganized Debtors serving just prior to the Consummation Date as disclosed in the Plan Supplement or such other filing as may be made with the Bankruptcy Court shall serve as the initial officers of the Reorganized Debtors to the extent they are willing to serve as such on and after the Consummation Date. After the Consummation Date, the selection of the officers of the Reorganized Debtors shall be as provided in their respective restated certificates of incorporation and restated bylaws or other organizational documents of each such Reorganized Debtor.

H. Preservation of Causes of Action; Settlement of Retained Actions

Except as otherwise provided in the Plan, the Confirmation Order or in any document, instrument, release or other agreement entered into in connection with the Plan, in accordance with section 1123(b) of the Bankruptcy Code, the Reorganized Debtors will retain and may enforce, sue on, settle or compromise (or decline to do any of the foregoing) all Retained Actions.

If the Lender Settlement is approved by the Bankruptcy Court and the Committee does not object to the Plan and affirmatively supports the Plan and recommends (in a manner reasonably agreeable to the Debtors and the Lenders) that holders of General Unsecured Claims and holders of Convenience Claims vote to accept the Plan, all Avoidance Actions will be deemed settled, released and waived as of the Consummation Date without further action by the Debtors or Reorganized Debtors, *provided, however*, that the Reorganized Debtors and the Estate Representative shall retain the rights to assert any Avoidance Action defensively against any holder of a Claim that may be subject to an Avoidance Action, but only to the extent necessary to offset any liability of the Debtors or the Reorganized Debtors on unsettled and Disputed General Unsecured Claims, including without limitation Claims of the kind contemplated by section 502(g)(1) of the Bankruptcy Code.

If the Lender Settlement is approved by the Bankruptcy Court and the Committee objects to the Plan and/or does not affirmatively support the Plan and recommend (in a manner reasonably agreeable to the Debtors and the Lenders) that holders of General Unsecured Claims and holders of Convenience Claims vote to accept the Plan, then on the Consummation Date the Reserved Avoidance Actions shall be deemed assigned to the Deficiency Claim Trust for the benefit of holders of Allowed Lender Deficiency Claims, without further action by the Debtors or Reorganized Debtors.

If the Lender Settlement is not approved by the Bankruptcy Court on terms agreeable to the Lenders and Debtors, on the Consummation Date the Assigned Avoidance Actions shall be deemed assigned to the Plan Trust for the benefit of holders of Allowed Lender Deficiency Claims and holders of Allowed General Unsecured Claims, without further action by the Debtors or Reorganized Debtors.

Schedule 1 to the Plan contains a non-exclusive list of Retained Actions. The Debtors reserve their right to modify Schedule 1 to the Plan to add or delete parties or Causes of Action, but disclaim any obligation to do so. The failure of the Debtors to specifically list any claim, right of action, suit or proceeding herein or in the Plan does not, and will not be deemed to, constitute a waiver or release by the Debtors of such claim, right of action, suit or proceeding, and the Reorganized

Debtors will retain the right to pursue additional claims, rights of action, suits or proceedings. In addition, at any time after the Petition Date and before the Consummation Date, notwithstanding anything in the Plan to the contrary, the Debtors or the Reorganized Debtors may settle some or all of the Retained Actions with the approval of the Bankruptcy Court pursuant to Bankruptcy Rule 9019.

I. Effectuating Documents; Further Transactions

The chairman of the board of directors, president, chief financial officer or any other appropriate officer or Manager of each Debtor shall be authorized to execute, deliver, file or record such contracts, instruments, releases, indentures and other agreements or documents, and take such actions, as may be necessary or appropriate to effectuate and further evidence the terms and conditions of the Plan. The secretary or assistant secretary of the appropriate Debtor shall be authorized to certify or attest to any of the foregoing actions.

J. Exemption from Certain Transfer Taxes

Pursuant to section 1146(c) of the Bankruptcy Code, any transfers from a Debtor to a Reorganized Debtor or any other Person or entity pursuant to the Plan shall not be subject to any document recording tax, stamp tax, conveyance fee, intangibles or similar tax, mortgage tax, stamp act, real estate transfer tax, mortgage recording tax or other similar tax or governmental assessment, and the Confirmation Order shall direct the appropriate state or local governmental officials or agents to forego the collection of any such tax or governmental assessment and to accept for filing and recordation any of the foregoing instruments or other documents without the payment of any such tax or governmental assessment.

K. The Estate Representative and Class 4 Settlement Fund

1. Appointment of Estate Representative

The Estate Representative shall be designated by the Committee. At least five (5) days prior to the Confirmation Hearing, the Committee shall file with the Bankruptcy Court a notice designating the person who it has selected as Estate Representative. The Person designated as Estate Representative shall file with the Bankruptcy Court prior to the Confirmation Hearing an affidavit demonstrating that such Person is disinterested as defined by section 101(14) of the Bankruptcy Code. If a Committee Settlement occurs and the Lender Settlement is approved by the Bankruptcy Court on terms agreeable to the Lenders and Debtors, such Person shall become the Estate Representative upon the Bankruptcy Court entering an order approving the Estate Representative designated by the Committee, after consideration of the same and any objections thereto at the Confirmation Hearing.

2. Duties of Estate Representative

If the Committee Settlement occurs and the Lender Settlement is approved by the Bankruptcy Court, on and after the Consummation Date the Estate Representative shall: (i) manage and coordinate the reconciliation, liquidation and allowance/disallowance of all unresolved Class 4 General Unsecured Claims and Convenience Claims, including filing objections to such Claims, (ii) engage, direct and pay (solely out of the Class 4 Settlement Fund in the Class 4 Settlement Account) the reasonable fees and expenses of any attorneys and other advisors that might be engaged by the Estate Representative to liquidate, allow, disallow or otherwise settle Disputed Class 4 General Unsecured Claims (and the Reorganized Debtors shall have no funding obligations in respect thereof), (iii) direct Reorganized Birch to make payments to holders of Allowed Convenience Claims from funds of the Reorganized Debtors, and (iv) direct Reorganized Birch to issue checks drawn on the Class 4 Settlement Account to make (x) payments of Available Class 4 Settlement Cash to holders of Allowed General Unsecured Claims, and (y) other payments from the Class 4 Settlement Account in satisfaction of Estate Representative Expenses. Reorganized Birch shall be entitled to rely and act upon such instructions without further notice or liability of any kind. In furtherance of the foregoing, the Estate Representative may in its sole discretion direct Reorganized Birch to create a Disputed Claims Reserve in the Class 4 Settlement Account on account of Disputed Claims and for Estate Representative Expenses, and to make on applicable Distribution Dates partial payments to holders of Allowed General Unsecured Claims pending final liquidation and allowance or disallowance of all Disputed and unliquidated General Unsecured Claims. On and after the Consummation Date, Reorganized Birch shall have no further funding obligations in respect of the reconciliation, liquidation, allowance/disallowance, and payments made on account of any Class 4 General

Unsecured Claims.

If the Committee Settlement occurs and the Lender Settlement is approved by the Bankruptcy Court, on and after the Consummation Date and without any further order of the Bankruptcy Court or further action by the Debtors, Reorganized Debtors or Estate Representative, the Estate Representative shall be substituted for the Debtors in all pending matters and proceedings involving the administration, allowance and disallowance of General Unsecured Claims and Convenience Claims, and shall undertake to prosecute, settle or otherwise resolve such matters and proceedings to conclusion.

3. *Duties of Reorganized Debtors*

If the Committee Settlement occurs and the Lender Settlement is approved by the Bankruptcy Court, on and after the Consummation Date the Reorganized Debtors shall (i) exercise best reasonable efforts to cooperate with and assist the Estate Representative in its efforts to reconcile and allow/disallow unresolved Class 4 General Unsecured Claims (which efforts shall not include the incurrence of outside professionals' or advisors' fees), (ii) make available to the Estate Representative and its counsel the books and records of the Debtors to the extent required in connection with the reconciliation and resolution of unresolved Class 4 General Unsecured Claims, and (iii) to the extent reasonably requested by the Estate Representative, make witnesses available to address the merits of such Claims. The Reorganized Debtors shall not charge any fees or expenses to the Estate Representative associated with such cooperation; *provided, however*, that the Estate Representative shall reimburse the Reorganized Debtors from the Class 4 Settlement Account for any actual, reasonable out-of-pocket expenses associated with that cooperation.

If the Committee Settlement occurs and the Lender Settlement is approved by the Bankruptcy Court, on and after the Consummation Date and transfer of the Class 4 Settlement Payment to the Class 4 Settlement Account, Reorganized Birch shall have no further funding obligations in respect of the reconciliation, liquidation, allowance/disallowance, and payments made on account of any Class 4 General Unsecured Claims.

4. *Debtor Obligations Prior to Consummation Date*

Prior to the Consummation Date, the Debtors shall exercise their best reasonable efforts to (i) reconcile, liquidate and seek allowance/disallowance of all disputed or otherwise unresolved Class 4 General Unsecured Claims, (ii) following consultation with the Lenders and the Committee and their respective counsel, file objections to Disputed Class 4 General Unsecured Claims to the extent permitted by the Local Rules of the Bankruptcy Court and (iii) otherwise effectuate on the Consummation Date an orderly transition to the Estate Representative of the Class 4 General Unsecured Claims reconciliation and allowance/disallowance process. Without limiting the foregoing, the Debtors shall file and diligently prosecute (until the occurrence of the Consummation Date) (i) non-substantive objections to all or substantially all Class 4 General Unsecured Claims that qualify for such objections, (ii) as many omnibus substantive objections to Class 4 General Unsecured Claims as permitted by Local Bankruptcy Rule 3007, and (iii) unless the Committee agrees otherwise, a motion to disallow or, as appropriate, estimate and cap all contingent or unliquidated General Unsecured Claims filed against any of the Debtors that are not otherwise previously settled, or resolved by the Plan.

5. *Class 4 Settlement Account*

If the Committee Settlement occurs and the Lender Settlement is approved by the Bankruptcy Court, on the Consummation Date the Reorganized Debtors shall transfer the Class 4 Settlement Payment into the Class 4 Settlement Account to establish the Class 4 Settlement Fund, the proceeds of which shall thereafter be used to pay (i) distributions to holders of Allowed Class 4 General Unsecured Claims (excluding Convenience Claims), (ii) compensation of the Estate Representative and (iii) professional fee costs and expenses incurred by the Estate Representative following the Consummation Date in connection with reconciling, liquidating and seeking allowance/disallowance of Disputed Class 4 General Unsecured Claims and Convenience Claims. None of the Reorganized Debtors, Agent or Lenders shall have any interest (or assert any security interest in or lien against) the Class 4 Settlement Payment or the Class 4 Settlement Account and shall not have any right to transfer, encumber, or otherwise use the Class 4 Settlement Fund or Class 4 Settlement Account, except that Reorganized Birch, when and in such amounts as directed by the Estate Representative, shall make payments from the Class 4 Settlement Account (i) to holders of Allowed General Unsecured Claims and (ii) in satisfaction of Estate Representative Expenses.

ARTICLE VI.

PROVISIONS GOVERNING DISTRIBUTIONS

A. Allowed Claims

Notwithstanding any provision herein to the contrary, the Disbursing Agent, the Estate Representative, the Agent, the Class 4 Creditor Trust Trustee, the Deficiency Claim Trust Trustee or the Plan Trust Trustee, as applicable, shall make distributions only to holders of Allowed Claims. No holder of a Disputed Claim will receive any distribution on account thereof until (and then only to the extent) that its Disputed Claim becomes an Allowed Claim. Any holder of a Claim that becomes an Allowed Claim after the Consummation Date will receive its distribution in accordance with Article VI.B and Article VII. of the Plan.

B. Timing of Distributions

Except as otherwise provided herein or as ordered by the Bankruptcy Court, all distributions to holders of Allowed Claims as of the applicable Distribution Date shall be made on or as soon as practicable after the applicable Distribution Date.

C. Disbursing Agent

The Disbursing Agent shall make all distributions required under the Plan (subject to the provisions of Articles IV., VI. and VII. hereof), except with respect to (i) holders of Allowed General Unsecured Claims, which distributions shall be made or directed by the Estate Representative or the Class 4 Creditor Trust Trustee in accordance with the provisions of the Plan and the Class 4 Creditor Trust Agreement, as applicable, (ii) holders of Allowed Lender Deficiency Claims if the Lender Settlement is approved by the Bankruptcy Court and if the Committee objects to the Plan and/or does not affirmatively support the Plan and recommend (in a manner reasonably agreeable to the Debtors and the Lenders) that holders of General Unsecured Claims and holders of Convenience Claims vote to accept the Plan, which distributions shall be made by the Deficiency Claim Trust Trustee in accordance with the provisions of the Plan and the Deficiency Claim Trust Agreement, (iii) holders of Allowed Lender Deficiency Claims and Allowed Lender Secured Claims in the event that the Lender Settlement is not approved by the Bankruptcy Court on terms agreeable to the Lenders and Debtors, which distributions (if any) shall be made by the Plan Trust Trustee in accordance with the provisions of the Plan and the Plan Trust Agreement and (iv) holders of Allowed Finance Lender Secured Claims and Allowed Credit Agreement Guarantee Secured Claims in the event that the Lender Settlement is approved by the Bankruptcy Court, which distributions shall be made by the Agent in accordance with the provisions of the Plan and the Credit Agreement.

If the Disbursing Agent is an independent third party designated by Reorganized Birch to serve in such capacity (or, in the case of distributions by the Agent to Allowed Finance Lender Secured Claims), such Disbursing Agent or the Agent shall receive, without further Bankruptcy Court approval, reasonable compensation for distribution services rendered pursuant to the Plan and reimbursement of reasonable out-of-pocket expenses incurred in connection with such services from the Reorganized Debtors on terms acceptable to the Reorganized Debtors. No Disbursing Agent shall be required to give any bond or surety or other security for the performance of its duties unless otherwise ordered by the Bankruptcy Court. If otherwise so ordered, all costs and expenses of procuring any such bond shall be paid by the Reorganized Debtors.

D. [Intentionally Omitted]

E. Record Date for Distributions to Holders of Lender Secured Claims

At the close of business on the Distribution Record Date, the register maintained by the Agent shall be closed and there shall be no further changes in the listed holders of the Lender Secured Claims. The Disbursing Agent, the Plan Trust Trustee and the Agent shall have no obligation to recognize any transfer of Lender Secured Claims occurring after the Distribution Record Date and shall be entitled instead to recognize and deal for all purposes hereunder with only those record holders stated on the register as of the close of business on the Distribution Record Date.

F. Means of Cash Payment

Cash payments under the Plan will be in Cash by means of checks drawn on a domestic bank selected by the Disbursing Agent, the Class 4 Creditor Trust Trustee, the Estate Representative, the Plan Trust Trustee or the Deficiency Claim Trust Trustee, as applicable, or by wire transfer from a domestic bank, at the option of the Disbursing Agent, the Class 4 Creditor Trust Trustee, the Plan Trust Trustee or the Deficiency Claim Trust Trustee, as applicable. Cash payments to foreign creditors, if any, may be made, at the option of the Disbursing Agent, the Class 4 Creditor Trust Trustee, the Estate Representative, the Plan Trust Trustee or the Deficiency Claim Trust Trustee, as applicable, in such funds and by such means as are necessary or customary in a particular foreign jurisdiction.

G. Calculation of Distribution Amounts of New Equity

No fractional shares of New Equity shall be issued or distributed under the Plan or by the Disbursing Agent, the Agent, the Plan Trust Trustee or the Class 4 Creditor Trust Trustee. Each Person entitled to receive New Equity shall receive the total number of whole shares of New Common Stock to which such Person is entitled. Whenever any distribution to a particular Person would otherwise call for distribution of a fraction of a share of New Equity, the Disbursing Agent, the Agent, the Plan Trust Trustee or the Class 4 Creditor Trust Trustee shall allocate separately one whole share of New Equity, as applicable, to such Person in order of the fractional portion of their entitlements, starting with the largest such fractional portion, until all remaining whole shares of New Equity have been allocated. Upon the allocation of a whole share of New Equity to a Person in respect of the fractional portion of its entitlement, such fractional portion shall be deemed cancelled. If two or more Persons are entitled to equal fractional entitlements and the number of Persons so entitled exceeds the number of whole shares of New Equity, that remain to be allocated, the Disbursing Agent, the Agent, the Plan Trust Trustee or the Class 4 Creditor Trust Trustee, as applicable shall allocate the remaining whole shares of New Equity to such holders by random lot or such other impartial method as the Disbursing Agent, the Agent, the Plan Trust Trustee or the Class 4 Creditor Trust Trustee deems fair. Upon the allocation of all of the whole shares of New Equity authorized under the Plan, all remaining fractional portions of the entitlements shall be cancelled and shall be of no further force and effect. No shares of New Equity will be issued and no other property will be distributed under the Plan or by the Disbursing Agent, the Agent, the Plan Trust Trustee or the Class 4 Creditor Trust Trustee, as applicable, on account of entitlements to a fractional share of New Equity that fall below a threshold level to be determined by the Disbursing Agent, the Agent, the Plan Trust Trustee or the Class 4 Creditor Trust Trustee, as applicable, after allocation of whole shares of New Equity in respect of fractional entitlements as described above. Accordingly, a person who otherwise would be entitled to receive a distribution of a fractional share of New Equity will not receive any such distribution if the number of fractional shares of New Equity that such person was to receive falls below such threshold.

H. Delivery of Distributions; Undeliverable or Unclaimed Distributions

Distributions to holders of Allowed Claims shall be made (i) at the addresses set forth on the Proofs of Claim filed by such holders (or at the last known addresses of such holders if no Proof of Claim was filed or if the Debtors have been notified of a change of address); (ii) at the addresses set forth in any written notice of address change delivered to the following after the date of any related Proof of Claim by: (a) the Reorganized Debtors, or (b) with respect to Lender Secured Claims, the Agent, in the event that the Lender Settlement is approved by the Bankruptcy Court, or (c) with respect to General Unsecured Claims, by the Class 4 Creditor Trust Trustee, or at the direction of the Estate Representative, as applicable, or (d) with respect to holders of Lender Deficiency Claims and Lender Secured Claims, the Plan Trust Trustee, in the event that the Lender Settlement is not approved by the Bankruptcy Court, or (e) with respect to Lender Deficiency Claims, the Deficiency Claim Trust Trustee, in the event that the Lender Settlement is approved by the Bankruptcy Court and if the Committee (x) objects to the Plan and/or (y) does not affirmatively support and recommend (in a manner reasonably acceptable to the Debtors and the Lenders) that holders of General Unsecured Claims and holders of Convenience Claims vote to accept the Plan; (iii) at the addresses reflected in the Schedules if no Proof of Claim has been filed and the Reorganized Debtors have not received a written notice of change of address; (iv) at each holder's address set forth in the Debtors' or the Reorganized Debtors' books and records at the time of the distribution; or (v) as to any General Unsecured Claim or Convenience Claim, at the address directed by the Estate Representative. If any holder's distribution is returned as undeliverable, no further distributions to such holder shall be made, unless and until the Disbursing Agent, the Agent, the Deficiency Claim Trust Trustee, the Plan Trust Trustee, the Estate Representative or the Class 4 Creditor Trust Trustee, as applicable, is notified of such holder's then current address, at which time all missed distributions shall be made to such holder.

without interest. Amounts in respect of undeliverable distributions made through the Disbursing Agent or the Agent shall be returned to the appropriate Reorganized Debtor or the Deficiency Claim Trust, the Plan Trust, the Class 4 Settlement Account or the Class 4 Creditor Trust, as the case may be, until such distributions are claimed. All claims for undeliverable distributions must be made within one (1) year after the initial distribution is attempted, after which date the claim of any holder or successor to such holder with respect to such property will be discharged and forever barred. In such cases, any Cash for distribution on account of or in exchange for unclaimed or undeliverable distributions shall become property of the Estates, the Deficiency Claim Trust, the Plan Trust, the Class 4 Settlement Fund, or the Class 4 Creditor Trust, as the case may be, free of any restrictions thereon and notwithstanding any federal or state escheat laws to the contrary. Any unclaimed or undeliverable New Equity held for such one (1) year period for distribution on account of such Claim shall be canceled and of no further force or effect. Nothing contained in the Plan shall require the Disbursing Agent, the Agent, the Class 4 Creditor Trust Trustee, the Estate Representative, the Plan Trust Trustee or the Deficiency Claim Trust Trustee to attempt to locate any holder of an Allowed Claim.

I. Withholding and Reporting Requirements

In connection with the Plan and all distributions thereunder, the Disbursing Agent, the Class 4 Creditor Trust Trustee, the Plan Trust Trustee and the Deficiency Claim Trust Trustee, as applicable, shall comply with all withholding and reporting requirements imposed by any federal, state, local or foreign taxing authority, and all distributions shall be subject to any such withholding and reporting requirements. The Disbursing Agent, the Class 4 Creditor Trust Trustee, the Plan Trust Trustee and the Deficiency Claim Trust Trustee shall be authorized to take any and all actions that may be necessary or appropriate to comply with such withholding and reporting requirements. Notwithstanding any other provision of the Plan, (i) each holder of an Allowed Claim that is to receive a distribution of Cash, New Equity or New Promissory Note pursuant to the Plan shall have sole and exclusive responsibility for the satisfaction and payment of any tax obligations imposed by any governmental unit, including income, withholding and other tax obligations, on account of such distribution, and (ii) no distribution shall be made to or on behalf of such holder pursuant to the Plan unless and until such holder has made arrangements satisfactory to the Disbursing Agent, the Agent, the Plan Trust Trustee, or the Class 4 Creditor Trust Trustee, as applicable, for the payment and satisfaction of such tax obligations or has, to the satisfaction of the Disbursing Agent, the Agent, the Plan Trust Trustee, the Deficiency Claim Trust Trustee or the Class 4 Creditor Trust Trustee, as applicable, established an exemption therefrom. Any New Equity to be distributed pursuant to the Plan shall, pending the implementation of such arrangements, be treated as undeliverable pursuant to Article VI.H of the Plan.

J. Allocation of Plan Distributions Between Principal and Interest

To the extent that any Allowed Claim entitled to a distribution under the Plan is comprised of indebtedness and accrued but unpaid interest thereon, such distribution shall, for the Debtors' federal income tax purposes, be allocated on the Debtors' books and records to the principal amount of the Claim first and then, to the extent the consideration exceeds the principal amount of the Claim, to accrued but unpaid interest.

K. Setoffs

Except as provided in the Plan, a Reorganized Debtor may, but shall not be required to, set off or offset against any Claim, and the payments or other distributions to be made pursuant to the Plan in respect of such Claim, claims of any nature whatsoever that the Debtor or Reorganized Debtor may have against the Claim's holder; *provided, however*, that neither the failure to do so nor the allowance of any Claim hereunder shall constitute a waiver or release by a Reorganized Debtor of any claim that the Debtor or Reorganized Debtor may have against such holder. Nothing herein shall be deemed to expand rights to setoff under applicable law.

L. No Distributions in Excess of Allowed Amount of Claim

Notwithstanding anything to the contrary in the Plan, no holder of an Allowed Claim shall receive in respect of such Claim any distribution of a value in excess of the Allowed Amount of such Claim.

M. Prepayment

Except as otherwise provided in the Plan or in the Confirmation Order, the Debtors or the Reorganized Debtors, as the case may be, shall have the right to prepay, without penalty, all or any portion of an Allowed Claim at any time; *provided, however*, that any such prepayment shall not be violative of, or otherwise prejudice, the relative priorities and parities among the Classes of Claims.

N. Minimum Distributions

The payment of fractions of dollars shall not be made. Whenever any payment of a fraction of a dollar under the Plan would otherwise be called for, the actual payment made shall reflect a rounding of the fraction to the nearest whole dollar (up or down), with half dollars rounded down.

Except for distributions to holders of Allowed Convenience Claims, the Disbursing Agent, the Plan Trust Trustee, the Estate Representative, the Class 4 Creditor Trust Trustee or the Deficiency Claim Trust Trustee, as applicable, shall not be required to make any payment of less than thirty dollars (\$30.00) with respect to any Claim unless a request therefor is made in writing to the Disbursing Agent, the Plan Trust Trustee, the Estate Representative, the Class 4 Creditor Trust Trustee or the Deficiency Claim Trust Trustee, as applicable.

ARTICLE VII.

**PROCEDURES FOR RESOLVING DISPUTED,
CONTINGENT AND UNLIQUIDATED CLAIMS**

A. Prosecution of Objections to Claims

Upon occurrence of the Consummation Date and except as otherwise set forth in the Plan or the Class 4 Creditor Trust Agreement, the Reorganized Debtors shall have sole and exclusive authority to file objections to Administrative Claims, Secured Claims, Priority Tax Claims, and any other Claim asserted as a priority claim under section 507 of the Bankruptcy Code and to litigate to judgment, settle, or withdraw such objections to Claims; *provided, however*, that in the event that the resolution of any such objection as provided herein results in the reclassification of all or a portion of any Claim as a General Unsecured Claim, the Reorganized Debtors shall have no liability to the Estate Representative, the Class 4 Creditor Trust Trustee, the Deficiency Claim Trust Trustee, or any holders of General Unsecured Claims or Deficiency Claims in connection with such reclassification; *provided, further*, that the Estate Representative shall be entitled to notice of and have standing to be heard and object with respect to any proposed reclassification or allowance of a Claim as a General Unsecured Claim. Upon the Consummation Date, the Class 4 Creditor Trust Trustee or the Estate Representative, as applicable, shall have the sole and exclusive authority to (a) file objections to General Unsecured Claims and Convenience Claims and to litigate to judgment, settle or withdraw such objections to General Unsecured Claims and Convenience Claims and (b) in the event that the Lender Settlement is not approved by the Bankruptcy Court on terms agreeable to the Lenders and Debtors, file objections to Lender Claims and to litigate to judgment, settle or withdraw such objections in connection with the Creditor Trust Action. Unless otherwise ordered by the Bankruptcy Court, (i) all objections to the allowance of Claims and (ii) amendments to the Schedules shall be served and filed no later than 120 days after the later of the Consummation Date or the date on which the Proof of Claim is filed, subject to any extensions granted pursuant to further order(s) of the Bankruptcy Court. All such objections shall be litigated to Final Order; *provided, however*, that the Reorganized Debtors, the Estate Representative, or the Class 4 Creditor Trust Trustee, as applicable, may compromise and settle, withdraw or resolve by any other method approved by the Bankruptcy Court, any objections to Claims. The Debtors reserve the right to object to any Claim on or before the Consummation Date. Without limiting the foregoing, the Reorganized Debtors shall have the right to litigate any Disputed Claim set forth in the first sentence of this paragraph either in the Bankruptcy Court or in any court of competent jurisdiction. The Reorganized Debtors, the Estate Representative, or the Class 4 Creditor Trust Trustee, as applicable, may settle or compromise any Disputed Claim filed in an amount below \$1,000,000 without approval of the Bankruptcy Court.

In addition, any Debtor, Reorganized Debtor, the Estate Representative, or the Class 4 Creditor Trust Trustee, as applicable, may, at any time, request that the Bankruptcy Court estimate any contingent or unliquidated Claim pursuant to

section 502(c) of the Bankruptcy Code regardless of whether such Debtor, Reorganized Debtor, the Estate Representative, or the Class 4 Creditor Trust Trustee, as applicable, has previously objected to such Claim or whether the Bankruptcy Court has ruled on any such objection, and the Bankruptcy Court will retain jurisdiction to estimate any Claim at any time during litigation concerning any objection to any Claim, including during the pendency of any appeal relating to any such objection. In the event that the Bankruptcy Court estimates any contingent or unliquidated Claim, that estimated amount will constitute either the Allowed amount of such Claim or a maximum limitation on such Claim, as determined by the Bankruptcy Court. If the estimated amount constitutes a maximum limitation on such Claim, any Debtor, Reorganized Debtor, the Estate Representative, the Plan Trust Trustee or the Class 4 Creditor Trust Trustee, as applicable, may elect to pursue any supplemental proceedings to object to any ultimate payment on such Claim. All of the aforementioned Claims objection, estimation and resolution procedures are cumulative and are not necessarily exclusive of one another. Claims may be estimated and thereafter resolved by any permitted mechanism.

B. No Distributions Pending Allowance

Notwithstanding any other provision of the Plan, no payments or distributions shall be made with respect to all or any portion of a Disputed Claim, unless and until all objections to such Disputed Claim have been settled or withdrawn or have been determined by Final Order, and the Disputed Claim, or some portion thereof, has become an Allowed Claim.

C. Disputed Claims Reserve

On the Consummation Date (or as soon thereafter as is practicable) and each Distribution Date, if the Committee Settlement occurs and the Lender Settlement is approved by the Bankruptcy Court, the Estate Representative shall direct Reorganized Birch to create and fund the Disputed Claims Reserve, either as a separate account or in the Class 4 Settlement Account, with an amount of the Available Class 4 Settlement Cash equal to one hundred percent (100%) of distributions to which holders of Disputed General Unsecured Claims would be entitled under the Plan as of such date if such Disputed General Unsecured Claims were Allowed Claims in their Disputed Claim Amount; *provided, however*, that the Estate Representative may, at any time, file motion(s) pursuant to section 502(c) of the Bankruptcy Code for order(s) estimating and limiting the amount of Cash which shall be deposited in the Disputed Claims Reserve in respect of any Disputed General Unsecured Claims, with notice and an opportunity to be heard to the affected holders of such Disputed General Unsecured Claims. The Disputed Claims Reserve shall be fully funded no later than ten (10) days after the Bankruptcy Court has approved an order resolving such motion(s) and such order has been entered by the clerk of the Bankruptcy Court.

D. Distributions After Allowance

To the extent that a Disputed Claim ultimately becomes an Allowed Claim, a distribution will be made to the holder of such Allowed Claim in accordance with the provisions of the Plan. On the Distribution Date that occurs after the date that the order or judgment of the Bankruptcy Court or other applicable court of competent jurisdiction allowing any Disputed Claim becomes a Final Order, or the date upon which other final resolution has been reached allowing any Disputed Claim, the Disbursing Agent, the Class 4 Creditor Trust Trustee, the Estate Representative or the Plan Trust Trustee, as applicable, shall provide to the holder of such Allowed Claim the distribution to which such holder is entitled under the Plan.

ARTICLE VIII.

TREATMENT OF CONTRACTS AND LEASES

A. Assumed Contracts and Leases

Except as otherwise provided in the Plan, or in any contract, instrument, release, indenture or other agreement or document entered into in connection with the Plan, including the Global Settlements described in Article II.B of the Plan, as of the Consummation Date each Debtor shall be deemed to have assumed each executory contract and unexpired lease to which it is a party, unless such contract or lease (i) previously was assumed or rejected by the Debtors, (ii) previously expired or terminated pursuant to its own terms, (iii) is listed on the Schedule of rejected contracts and leases, attached hereto as Schedule 3, or (iv) is the subject of a motion to assume or reject filed on or before the Confirmation Date. The Confirmation

Order shall constitute an order of the Bankruptcy Court under section 365 of the Bankruptcy Code approving the contract and lease assumptions described above, as of the Consummation Date. The Debtors reserve the right, at any time prior to the Confirmation Date, to seek to assume any executory contract or unexpired lease to which any Debtor is a party.

Each executory contract and unexpired lease that is assumed and relates to the use, ability to acquire or occupancy of real property shall include (i) all modifications, amendments, supplements, restatements or other agreements made directly or indirectly by any agreement, instrument or other document that in any manner affect such executory contract or unexpired lease and (ii) all executory contracts or unexpired leases appurtenant to the premises, including all easements, licenses, permits, rights, privileges, immunities, options, rights of first refusal, powers, uses, usufructs, reciprocal easement agreements, vaults, tunnel or bridge agreements or franchises, and any other interests in real estate or rights in rem related to such premises, unless any of the foregoing agreements has been rejected pursuant to an order of the Bankruptcy Court or is the subject of a motion to reject filed on or before the Confirmation Date.

B. Treatment of Change of Control Provisions

The entry of the Confirmation Order, consummation of the Plan, issuance of New Securities under the Plan and/or any other acts taken to implement the Plan shall not constitute a "change in control" under any provision of any contract, agreement or other document which provides for the occurrence of any event, the granting of any right, or any other change in the then-existing relationship between the parties upon a "change in control" of any of the Debtors; *provided, however*, that this Article VIII.B shall not apply to contracts, agreements, plans, arrangements and documents relating to employment, employee severance, salary continuation or employee retention.

C. Payments Related to Assumption of Contracts and Leases

Any monetary amounts by which any executory contract or unexpired lease to be assumed under the Plan is in default shall be satisfied, under section 365(b)(1) of the Bankruptcy Code, by Cure. If there is a dispute regarding (i) the nature or amount of any Cure, (ii) the ability of a Reorganized Debtor or any assignee to provide "adequate assurance of future performance" (within the meaning of section 365 of the Bankruptcy Code) under the contract or lease to be assumed or (iii) any other matter pertaining to assumption, Cure shall occur following the entry of a Final Order of the Bankruptcy Court resolving the dispute and approving the assumption or assumption and assignment, as the case may be; *provided, however*, that the Debtors or Reorganized Debtors, as applicable, shall retain the right to reject any executory contract or unexpired lease as to which there is any dispute regarding the Cure until and including the date of entry of any Final Order resolving such dispute.

D. Rejected Contracts and Leases

Except with respect to executory contracts and unexpired leases that have previously been rejected or are the subject of a motion to reject filed on or before the Confirmation Date, all executory contracts and unexpired leases set forth on Schedule 3 shall be deemed automatically rejected as of the Confirmation Date or such earlier date as the Debtors may have unequivocally terminated their performance under such lease or contract, which schedule may be amended by the Debtors through any time prior to the Confirmation Date; *provided, however*, that neither the inclusion by the Debtors of a contract or lease on Schedule 3 nor anything contained in this Plan shall constitute an admission by the Debtors that such lease or contract is an unexpired lease or executory contract, or that any Debtor has any liability thereunder. The Confirmation Order shall constitute an order of the Bankruptcy Court approving such rejections, pursuant to section 365 of the Bankruptcy Code. The Debtors reserve the right to file a motion on or before the Consummation Date to reject any executory contract or unexpired lease. Any executory contracts or unexpired leases that expire by their terms prior to the Confirmation Date are deemed to be rejected, unless previously assumed or otherwise disposed of by the Debtors.

E. Claims Based on Rejection of Executory Contracts or Unexpired Leases

If the rejection by a Debtor, pursuant to the Plan or otherwise, of an executory contract or unexpired lease gives rise to a Claim, a Proof of Claim must be served upon the appropriate Reorganized Debtor and its counsel and on the Class 4 Creditor Trust Trustee or Estate Representative, as applicable, within thirty (30) days after the later of service of (i) notice of entry of the Confirmation Order or (ii) other notice that the executory contract or unexpired lease has been rejected. Any

Claims not served within such time periods will be forever barred from assertion against the respective Reorganized Debtor, its Estate and its property.

F. Compensation and Benefit Plans

All of the Debtors' programs, plans, agreements and arrangements relating to employee compensation and benefits, including programs, plans, agreements and arrangements subject to sections 1114 and 1129(a)(13) of the Bankruptcy Code and including, all savings plans, 401k plans, healthcare plans, disability plans, incentive plans, life, accidental death and dismemberment insurance plans, and employment, severance, salary continuation and retention agreements, entered into before the Petition Date and not since terminated, will be deemed to be, and will be treated as though they are, executory contracts that are assumed under Article VIII.A of the Plan, and the Debtors' obligations under such programs, plans, agreements and arrangements will survive confirmation of the Plan, except for executory contracts or plans that previously have been rejected, are the subject of a motion to reject, are identified on Schedule 3 to the Plan or have been specifically waived by the beneficiaries of any plans or contracts; *provided, however*, that nothing in this Plan or any Confirmation Order approving this Plan shall constitute an assumption of any severance obligation of any Debtor except as previously approved by the Bankruptcy Court pursuant to the KERP Orders.

G. Indemnification of Directors, Officers and Managers

Indemnification obligations owed to the Debtors' directors, officers, and employees serving in such capacity at any time on or prior to the Consummation Date, to the extent provided pursuant to charter, bylaws, contract, or applicable state law, shall be deemed to be, and shall be treated as though they are, executory contracts that are assumed pursuant to section 365 of the Bankruptcy Code under the Plan, and such obligations (subject to any defenses thereto) shall survive Confirmation of the Plan and remain unaffected thereby, irrespective of whether indemnification is owed in connection with a pre-Petition Date or post-Petition Date occurrence; *provided, however*, that the foregoing assumption shall not affect (i) any release of such obligations given to the Debtors before the Consummation Date or to the Reorganized Debtors on or after the Consummation Date or (ii) cause the assumption of any severance obligation by any Debtor or Reorganized Debtor not previously approved by the Bankruptcy Court pursuant to the KERP Orders. Any indemnification obligation alleged by any such director, officer, or employee in a timely filed Proof of Claim that is not the subject of an objection filed by the Debtors, is hereby deemed conformed to and limited by the terms of the applicable charter, bylaws, contract, or state law. As so conformed and limited, such indemnification obligations are hereby deemed to be satisfied by the foregoing assumption, and the Proof of Claim of any such director, officer or employee is hereby deemed to be expunged without the necessity of objection, in reliance on such satisfaction; *provided, further*, that as to former directors and officers, such assumption expressly is conditioned upon approval of the Lender Settlement by the Bankruptcy Court on terms agreeable to the Lenders and the Debtors.

H. Retiree Benefits

Pursuant to the requirements of section 1129(a)(13) of the Bankruptcy Code, the Plan provides for the continuation of payment by the Debtors of all "retiree benefits," as defined in section 1114(a) of the Bankruptcy Code, if any, at previously established levels. The Debtors, however, have no obligations under any compensation or benefit plan, or otherwise, to pay retiree benefits.

ARTICLE IX.

ACCEPTANCE OR REJECTION OF THE PLAN

A. Classes Entitled To Vote

Classes 2, 4A, 4B and 4 are Impaired under the Plan and, therefore, Classes 2, 4A, 4B and 4 are entitled to vote to accept or reject the Plan. Classes 5, 6, 7, 8, 9 and 10 are deemed to have rejected the Plan and, therefore, are not entitled to vote to accept or reject the Plan. By operation of law, each Unimpaired Class of Claims is deemed to have accepted the Plan and, therefore, is not entitled to vote to accept or reject the Plan. Therefore, Classes 1 and 3 are deemed to have accepted the

Plan and are not entitled to vote to accept or reject the Plan.

B. Acceptance by Impaired Classes

An Impaired Class of Claims shall have accepted the Plan if (i) the holders of at least two-thirds in amount of the Allowed Claims actually voting in the Class have voted to accept the Plan, and (ii) the holders of more than one-half in number of the Allowed Claims actually voting in the Class have voted to accept the Plan, in each case not counting the vote of any holder designated under section 1126(e) of the Bankruptcy Code. An Impaired Class of Interests shall have accepted the Plan if the holders (other than any holder designated under section 1126(e) of the Bankruptcy Code) of at least two-thirds in amount of the Allowed Interests actually voting in such Class have voted to accept the Plan.

C. Cramdown

To the extent necessary, the Debtors shall request confirmation of the Plan, as it may be modified from time to time, under section 1129(b) of the Bankruptcy Code. The Debtors reserve the right to modify the Plan to the extent, if any, that confirmation pursuant to section 1129(b) of the Bankruptcy Code requires modification.

ARTICLE X.

**SECURITIES TO BE ISSUED
IN CONNECTION WITH THE PLAN**

A. New Securities

On or before the Distribution Date, the Reorganized Debtors shall issue for distribution in accordance with the provisions of the Plan the New Common Stock and New Subsidiary Equity required for distribution pursuant to the provisions hereof. All securities to be issued shall be deemed issued as of the Consummation Date regardless of the date on which they are actually distributed. All stock issued by any Reorganized Debtor pursuant to the provisions of the Plan shall be deemed to be duly authorized and issued, fully paid and nonassessable. The terms of the New Common Stock are summarized in Exhibit B hereto (filed as part of the Plan Supplement).

B. Exemption from Registration

The issuance of the New Securities under the Plan shall be exempt from registration under the Securities Act pursuant to section 1145 of the Bankruptcy Code, except to the extent that any holders of New Securities may be deemed to be "underwriters," as that term is defined in section 1145 of the Bankruptcy Code.

ARTICLE XI.

**CONDITIONS PRECEDENT TO THE PLAN'S
CONFIRMATION AND CONSUMMATION**

A. Conditions to Confirmation

The following are conditions precedent to confirmation of the Plan, each of which must be satisfied or waived in accordance with Article XI.C below:

1. The proposed Confirmation Order shall be in form and substance acceptable to the Debtors and the Lenders.
2. The Reorganized Birch Certificate of Incorporation, the Reorganized Birch Bylaws and the Stockholders' Rights Agreement, shall be in form and substance satisfactory to the Debtors and the Lenders.

B. Conditions to Consummation Date

The following are conditions precedent to the occurrence of the Consummation Date, each of which must be satisfied or waived in accordance with Article XI.C below:

1. The Confirmation Order, in form and substance acceptable to the Debtors and the Lenders, shall have been entered and must provide, among other things, that:

a. the Debtors and Reorganized Debtors are authorized and directed to take all actions necessary or appropriate to enter into, execute, implement and consummate the contracts, instruments, releases, leases, indentures and other agreements or documents created in connection with the Plan;

b. the provisions of the Confirmation Order are nonseverable and mutually dependent;

c. all executory contracts or unexpired leases assumed or assumed and assigned by the Debtors during the Chapter 11 Case or under the Plan shall remain in full force and effect for the benefit of the Reorganized Debtors or their assignees notwithstanding any provision in such contract or lease (including those described in sections 365(b)(2) and (f) of the Bankruptcy Code) that prohibits such assignment or transfer or that enables, permits or requires termination of such contract or lease;

d. the transfers of property by the Debtors (i) to the Reorganized Debtors (a) are or will be legal, valid and effective transfers of property, (b) vest or will vest the Reorganized Debtors with good title to such property free and clear of all liens, charges, Claims, encumbrances or Interests, except as expressly provided in the Plan or Confirmation Order, (c) do not and will not constitute avoidable transfers under the Bankruptcy Code or under applicable bankruptcy or nonbankruptcy law, and (d) do not and will not subject the Reorganized Debtors to any liability by reason of such transfer under the Bankruptcy Code or under applicable nonbankruptcy law, including any laws affecting successor, transferee or stamp or recording tax liability and (ii) to holders of Claims and Interests under the Plan are for good consideration and value;

e. except as expressly provided in the Plan or the Confirmation Order, the Debtors are discharged effective upon the Confirmation Date, subject to the occurrence of the Consummation Date, from any "debt" (as that term is defined in section 101(12) of the Bankruptcy Code), and the Debtors' liability in respect thereof shall be extinguished completely, whether such debt (i) is reduced to judgment or not, liquidated or unliquidated, contingent or noncontingent, asserted or unasserted, fixed or unfixed, matured or unmatured, disputed or undisputed, legal or equitable, or known or unknown, or (ii) arose from (a) any agreement of any of the Debtors that has either been assumed or rejected in the Chapter 11 Case or pursuant to the Plan, (b) any obligation of any of the Debtors incurred before the Confirmation Date, or (c) any conduct of any of the Debtors prior to the Confirmation Date, or that otherwise arose before the Confirmation Date, including, without limitation, all interest, if any, on any such debts, whether such interest accrued before or after the Petition Date;

f. the Plan does not provide for the liquidation of all or substantially all of the property of the Debtors and its confirmation is not likely to be followed by the liquidation of the Reorganized Debtors or the need for further financial reorganization;

g. all Old Birch Series A Preferred Stock, Old Birch Common Stock, Old Subsidiary Equity and Other Equity Rights shall be deemed cancelled effective upon the Consummation Date; and

h. the New Equity and New Subsidiary Equity issued under the Plan in exchange for Claims, are exempt from registration under the Securities Act pursuant to section 1145 of the Bankruptcy Code, except to the extent that any holders of New Equity may be deemed to be "underwriters," as that term is defined in section 1145 of the Bankruptcy Code

2. The Confirmation Order shall have become a Final Order.

3. The Reorganized Birch Certificate of Incorporation, the Reorganized Birch Bylaws, the Stockholders' Rights Agreement (in the event that the Lender Settlement is approved by the Bankruptcy Court), the Class 4 Creditor Trust Agreement (if the Committee Settlement has not occurred, or the Lender Settlement is not approved by the Bankruptcy Court

on terms agreeable to the Lenders and the Debtors), the Plan Trust Agreement (in the event that the Lender Settlement is not approved by the Bankruptcy Court) and the Deficiency Claim Trust Agreement (in the event that the Lender Settlement is approved by the Bankruptcy Court and the Committee objects to the Plan and/or does not affirmatively support the Plan and recommend (in a manner agreeable to the Debtors and the Lenders) that holders of General Unsecured Claims and holders of Convenience Claims vote to accept the Plan), in form and substance satisfactory to the Debtors and the Lenders, shall have been executed and delivered (as applicable), and all conditions precedent thereto shall have been satisfied or waived by the parties thereto.

4. The New Secured Credit Agreement and all documents to be executed in connection with the New Secured Credit Agreement, in form and substance satisfactory to the Debtors and the Lenders, shall have been executed and delivered, and all conditions precedent thereto shall have been satisfied or waived by the parties thereto.

5. The Debtors shall have executed and delivered all documents necessary to effectuate the issuance of the New Common Stock, deliverable pursuant to Article X of the Plan.

6. All authorizations, consents and regulatory approvals required, if any, in connection with the consummation of the Plan shall have been obtained.

7. All other actions, documents and agreements necessary to implement the Plan shall have been effected or executed.

8. Each of the BellSouth Settlement and SBC Settlement shall be enforceable, have been approved by the Bankruptcy Court on terms agreeable to the Lenders and Debtors, and provide for the waiver by BellSouth and SBC of their respective General Unsecured Claims effective on the Consummation Date.

C. Waiver of Conditions

Each of the conditions set forth in Articles XI.A and XI.B (other than Article XI.B.8) above may be waived in whole or in part by the Debtors, with the written consent of the Lenders, without any notice to other parties in interest or the Bankruptcy Court and without a hearing. The failure to satisfy or waive any condition to the Consummation Date may be asserted by the Debtors regardless of the circumstances giving rise to the failure of such condition to be satisfied. Neither the failure of the Debtors to exercise any of the foregoing rights, nor the Lenders' consent with respect to any waiver of any condition provided herein, shall be deemed a waiver of any other rights, and each such right shall be deemed an ongoing right that may be asserted at any time.

ARTICLE XII.

MODIFICATIONS AND AMENDMENTS

The Debtors may alter, amend or modify the Plan or any exhibits hereto under section 1127(a) of the Bankruptcy Code at any time prior to the Confirmation Date with the consent of the Lenders. The Debtors reserve the right to include any amended exhibits in the Plan Supplement. After the Confirmation Date and prior to substantial consummation of the Plan, as defined in section 1101(2) of the Bankruptcy Code, with the consent of the Lenders, the Debtors may, under section 1127(b) of the Bankruptcy Code, institute proceedings in the Bankruptcy Court to remedy any defect or omission or reconcile any inconsistencies in the Plan, the Disclosure Statement or the Confirmation Order, and to accomplish such matters as may be necessary to carry out the purposes and effects of the Plan so long as such proceedings do not materially adversely affect the treatment of holders of Claims or Interests under the Plan; *provided, however*, that prior notice of such proceedings shall be served in accordance with the Bankruptcy Rules or order of the Bankruptcy Court.

ARTICLE XIII.

RETENTION OF JURISDICTION

Under sections 105(a) and 1142 of the Bankruptcy Code, and notwithstanding the Plan's confirmation and the occurrence of the Consummation Date, the Bankruptcy Court shall retain exclusive jurisdiction (except with respect to the purposes described under clause (A) below, with respect to which jurisdiction shall not be exclusive) over all matters arising out of or related to the Chapter 11 Case and the Plan, to the fullest extent permitted by law, including jurisdiction to:

- A. Determine any and all objections to the allowance of Claims or Interests;
- B. Determine any and all motions to estimate Claims at any time, regardless of whether the Claim to be estimated is the subject of a pending objection, a pending appeal, or otherwise;
- C. Determine any and all motions to subordinate Claims or Interests at any time and on any basis permitted by applicable law;
- D. Hear and determine all Professional Fee Claims and other Administrative Claims;
- E. Hear and determine all matters with respect to the assumption or rejection of any executory contract or unexpired lease to which a Debtor is a party or with respect to which a Debtor may be liable, including, if necessary, the nature or amount of any required Cure, a motion to assume or reject filed on or before the Confirmation Date, or the liquidation of any Claims arising therefrom;
- F. Hear and determine any and all adversary proceedings, motions, applications and contested or litigated matters arising out of, under or related to, the Chapter 11 Case, including the Creditor Trust Action;
- G. Enter such orders as may be necessary or appropriate to execute, implement or consummate the provisions of the Plan and all contracts, instruments, releases and other agreements or documents created in connection with the Plan, the Disclosure Statement or the Confirmation Order;
- H. Hear and determine disputes arising in connection with the interpretation, implementation, consummation or enforcement of the Plan and all contracts, instruments and other agreements executed in connection with the Plan;
- I. Hear and determine any request to modify the Plan or to cure any defect or omission or reconcile any inconsistency in the Plan or any order of the Bankruptcy Court;
- J. Issue and enforce injunctions or other orders, or take any other action that may be necessary or appropriate to restrain any interference with the implementation, consummation or enforcement of the Plan or the Confirmation Order;
- K. Enter and implement such orders as may be necessary or appropriate if the Confirmation Order is for any reason reversed, stayed, revoked, modified or vacated;
- L. Hear and determine any matters arising in connection with or relating to the Plan, the Disclosure Statement, the Confirmation Order or any contract, instrument, release or other agreement or document created in connection with the Plan, the Disclosure Statement or the Confirmation Order, including, but not limited to, the New Secured Credit Agreement, and related documents;
- M. Enforce all orders, judgments, injunctions, releases, exculpations, indemnifications and rulings entered in connection with the Chapter 11 Case;
- N. Recover all assets of the Debtors and property of the Debtors' Estates, wherever located;
- O. Hear and determine matters concerning state, local and federal taxes in accordance with sections 346, 505 and

1146 of the Bankruptcy Code;

P. Hear and determine all disputes involving the existence, nature or scope of the Debtors' discharge;

Q. Hear and determine such other matters as may be provided in the Confirmation Order or as may be authorized under or not inconsistent with, provisions of the Bankruptcy Code;

R. Hear and determine any and all disputes arising from the distribution of Class 4 Creditor Trust Assets or Class 4 Settlement Fund, as applicable;

S. Hear and determine any and all disputes arising from the distribution of Deficiency Claim Trust Assets;

T. Hear and determine any and all disputes arising from the distribution of Plan Trust Assets in the event that the Lender Settlement is not approved by the Bankruptcy Court; and

U. Enter a final decree closing the Chapter 11 Case.

ARTICLE XIV.

MISCELLANEOUS PROVISIONS

A. Corporate Action

Prior to, on or after the Consummation Date (as appropriate), all matters expressly provided for under the Plan that would otherwise require approval of the stockholders, directors, partners, members or Managers of any Debtor or Reorganized Debtor shall be deemed to have occurred and shall be in effect prior to, on or after the Consummation Date (as appropriate) pursuant to the applicable general corporation or other applicable business organization law of the states under which the Debtors or the Reorganized Debtors are incorporated, organized or formed without any requirement of further action by the stockholders, directors, partners, members or Managers of the Debtors or the Reorganized Debtors.

B. Professional Fee Claims

All final requests for compensation or reimbursement of costs and expenses pursuant to sections 327, 328, 330, 331, 503(b) or 1103 of the Bankruptcy Code for services rendered to the Debtors or the Committee prior to the Consummation Date must be filed with the Bankruptcy Court and served on the Reorganized Debtors and their counsel no later than sixty (60) days after the Consummation Date, unless otherwise ordered by the Bankruptcy Court. Objections to applications of such Professionals or other entities for compensation or reimbursement of costs and expenses must be filed and served on the Reorganized Debtors and their counsel and the requesting Professional or other entity no later than forty-five (45) days (or such longer period as may be allowed by order of the Bankruptcy Court) after the date on which the applicable application for compensation or reimbursement was served. All Allowed Professional fee and expense applications, including Committee members' respective expenses and fees, shall be paid in accordance with applicable rules of the Bankruptcy Court on, or as soon as practicable after, the Consummation Date or the dates when such fees and expenses are Allowed. The Reorganized Debtors may pay charges that they incur on and after the Consummation Date for Professionals' fees, disbursements, expenses or related support services in the ordinary course of business and without application to the Bankruptcy Court. If the Committee Settlement occurs and the Lender Settlement is approved, the Lenders and Agent shall withdraw and waive (to the extent not already withdrawn or waived) any objections to applications of Professionals for compensation or reimbursement of costs and expenses.

C. Administrative Claims

All Administrative Claims shall be filed with the Bankruptcy Court and served on the Reorganized Debtors and their counsel no later than sixty (60) days after the Consummation Date, unless otherwise ordered by the Bankruptcy Court. All objections to Administrative Claims must be filed and served no later than 120 days after the Consummation Date, unless

otherwise ordered by the Bankruptcy Court. The Reorganized Debtors shall have the sole and exclusive authority to file objections to Administrative Claims and to litigation to judgment, settle or withdraw such objections to Administrative Claims.

D. Payment of Statutory Fees

All fees payable under section 1930 of title 28 of the United States Code, as determined by the Bankruptcy Court at the Confirmation Hearing, shall be paid on or before the Consummation Date. All such fees that arise after the Consummation Date but before the closing of the Chapter 11 Case shall be paid by the Reorganized Debtors.

E. Severability of Plan Provisions

If, on or prior to the Confirmation Date, any term or provision of the Plan is held by the Bankruptcy Court to be invalid, void or unenforceable, the Bankruptcy Court, at the request of the Debtors, shall have the power to alter and interpret such term or provision to make it valid or enforceable to the maximum extent practicable, consistent with the original purpose of the term or provision held to be invalid, void or unenforceable, and such term or provision shall then be applicable as altered or interpreted. Notwithstanding any such holding, alteration or interpretation, the remainder of the terms and provisions of the Plan shall remain in full force and effect and shall in no way be affected, impaired or invalidated by such holding, alteration or interpretation. The Confirmation Order shall constitute a judicial determination and shall provide that each term and provision of the Plan, as it may have been altered or interpreted in accordance with the foregoing, is valid and enforceable pursuant to its terms.

F. Consent of Lenders

Wherever the consent, agreement or acceptance of the Lenders is referred to in the Plan (other than with respect to voting for the purposes of section 1126(c) of the Bankruptcy Code), it shall mean the Lenders holding more than fifty percent (50%) in aggregate principal amount of the Lender Claims, which amount shall include the Agent.

G. Successors and Assigns

The rights, benefits and obligations of any Person named or referred to in the Plan shall be binding on, and shall inure to the benefit of, any heir, executor, administrator, successor or assign of that Person.

H. Discharge of the Debtors

Except as otherwise provided in the Plan or in the Confirmation Order, the rights afforded under the Plan and the treatment of Claims under the Plan shall be in exchange for, and in complete satisfaction, settlement, discharge and release of, all Claims, regardless of whether any property shall have been distributed or retained pursuant to the Plan on account of such Claims. Upon the Consummation Date, except as provided in the Plan or the Confirmation Order, (i) the Debtors, and each of them, shall be deemed discharged and released under section 1141(d)(1)(A) of the Bankruptcy Code from any and all Claims, including demands and liabilities that arose before the Confirmation Date, and all debts of the kind specified in sections 502(g), 502(h) or 502(i) of the Bankruptcy Code, whether or not (a) a Proof of Claim based upon such debt is filed or deemed filed under section 501 of the Bankruptcy Code, (b) a Claim based upon such debt is allowed under section 502 of the Bankruptcy Code or (c) the holder of a Claim based upon such debt accepted the Plan, and (ii) all Interests of the holders of (a) Old Birch Series A Preferred Stock, (b) Old Birch Common Stock, (c) Old Subsidiary Equity and (d) Other Equity Rights shall be terminated.

As of the Confirmation Date, except as provided in the Plan or the Confirmation Order, all Persons shall be precluded from asserting against the Debtors or the Reorganized Debtors, any other or further claims, debts, rights, causes of action, liabilities or equity interests relating to the Debtors based upon any act, omission, transaction or other activity of any nature that occurred prior to the Confirmation Date. In accordance with the foregoing, except as provided in the Plan or the Confirmation Order, the Confirmation Order shall be a judicial determination of discharge of all such Claims and other debts and liabilities against the Debtors and termination of Interests of the holders of Old Birch Series A Preferred Stock, Old Birch Common Stock, Old Subsidiary Equity and Other Equity Rights, pursuant to sections 524 and 1141 of the Bankruptcy Code,

and such discharge shall void any judgment obtained against the Debtors at any time, to the extent that such judgment relates to a discharged Claim or terminated Interest.

I. Releases

1. Releases by Debtors

As of the Consummation Date, for good and valuable consideration, the adequacy of which is hereby confirmed, the Debtors, their Estates and the Reorganized Debtors shall be deemed to forever release, waive and discharge all claims, obligations, suits, defenses, judgments, damages, demands, debts, rights, causes of action and liabilities (other than the rights of the Debtors and the Reorganized Debtors to enforce the Plan and the contracts, instruments, releases, indentures and other agreements or documents delivered thereunder), whether liquidated or unliquidated, fixed or contingent, matured or unmatured, known or unknown, foreseen or unforeseen, then existing or thereafter arising, in law, equity or otherwise, that are based in whole or in part on any act, omission, transaction, event or other occurrence taking place on or prior to the Consummation Date in any way relating to the Debtors, the Reorganized Debtors, the Chapter 11 Case, the Plan or the Disclosure Statement, and that could have been asserted by or on behalf of the Debtors, their Estates or the Reorganized Debtors, as of the Petition Date or thereafter, against (i) the Debtors' current directors, officers, Managers, agents, employees and professionals (acting in such capacity), or any of their successors or assigns (acting in such capacity); (ii) the Debtors' former directors, officers, Managers, agents, employees and professionals (acting in such capacity), or any of their successors or assigns (acting in such capacity) in the event that the Lender Settlement is approved by the Bankruptcy Court; (iii) the Agent and the Lenders (each acting in such capacity) if the Lender Settlement is approved by the Bankruptcy Court, (iv) the Committee (but not its members in their individual capacities) if the Lender Settlement is approved by the Bankruptcy Court and the Committee does not object to the Plan and affirmatively supports the Plan and recommends (in a manner reasonably agreeable to the Debtors and the Lenders) that holders of General Unsecured Claims and holders of Convenience Claims vote to accept the Plan; (v) any of the directors, officers, agents, employees and professionals (acting in such capacity) of the Agent and the Lenders, if the Lender Settlement is approved by the Bankruptcy Court; and (vi) any of the directors, officers, agents, employees, members and professionals (acting in such capacity) of the Committee, if the Lender Settlement is approved by the Bankruptcy Court and the Committee does not object to the Plan and affirmatively supports the Plan and recommends (in a manner reasonably agreeable to the Debtors and the Lenders) that holders of General Unsecured Claims and holders of Convenience Claims vote to accept the Plan.

2. Releases by Holders of Claims and Interests

As of the Consummation Date, for good and valuable consideration, the adequacy of which is hereby confirmed, each holder of a Claim, solely in its capacity as such, that affirmatively votes in favor of the Plan shall have agreed to forever release, waive and discharge all claims, defenses, obligations, suits, judgments, damages, demands, debts, rights, causes of action and liabilities (other than the rights to enforce the Plan and the contracts, instruments, releases, indentures and other agreements or documents delivered thereunder), whether liquidated or unliquidated, fixed or contingent, matured or unmatured, known or unknown, foreseen or unforeseen, then existing or thereafter arising, in law, equity or otherwise, that are based in whole or in part on any act, omission, transaction, event or other occurrence taking place on or prior to the Consummation Date in any way relating to the Debtors, the Reorganized Debtors, the Chapter 11 Case, the Plan or the Disclosure Statement, against: (i) the Debtors or the Reorganized Debtors; (ii) the Debtors' current directors, officers, Managers, employees, agents and professionals (acting in such capacity) as of the Petition Date; (iii) the Debtors' former directors, officers, Managers, employees, agents and professionals (acting in such capacity), if the Lender Settlement is approved by the Bankruptcy Court; (iv) the Agent and the Lenders (each in such capacity) if the Lender Settlement is approved by the Bankruptcy Court, (v) the members of the Committee (but not its members in their individual capacities) and any of the Committee's directors, officers, agents, employees and professionals, in the event that the Lender Settlement is approved by the Bankruptcy Court and the Committee does not object to the Plan and affirmatively supports the Plan and recommends (in a manner reasonably agreeable to the Debtors and the Lenders) that holders of General Unsecured Claims and holders of Convenience Claims vote to accept the Plan, (vi) the Class 4 Creditor Trust Trustee or Estate Representative, as applicable, if the Lender Settlement is approved by the Bankruptcy Court; (vii) the Deficiency Claim Trust Trustee; (viii) the Plan Trust Trustee; and (ix) any of the directors, officers, agents, employees and professionals (acting in such capacity) of the Agent, the Lenders, the Class 4 Creditor Trust and the Deficiency Claim Trust, if the Lender Settlement is approved by the Bankruptcy Court.

J. Injunction

Except as provided in the Plan or the Confirmation Order, as of the Confirmation Date, subject to the occurrence of the Consummation Date, all entities that have held, currently hold or may hold a Claim or other debt or liability that is discharged or an Interest or other right of an equity security holder that is terminated pursuant to the terms of the Plan are permanently enjoined from taking any of the following actions against the Debtors, the Reorganized Debtors, the Class 4 Creditor Trust, the Deficiency Claim Trust, the Plan Trust or their property on account of any such discharged Claims, debts or liabilities or terminated Interests or rights: (i) commencing or continuing, in any manner or in any place, any action or other proceeding; (ii) enforcing, attaching, collecting or recovering in any manner any judgment, award, decree or order; (iii) creating, perfecting or enforcing any lien or encumbrance; (iv) asserting a setoff (except to the extent such setoff is preserved under the Plan for a holder of an Allowed Class 3 Claim) or right of subrogation of any kind against any debt, liability or obligation due to the Debtors (only to the extent the claim underlying the right of subrogation was timely filed or deemed timely filed); and (v) commencing or continuing any action, in any manner, in any place that does not comply with or is inconsistent with the provisions of the Plan

As of the Consummation Date, all entities that have held, currently hold or may hold a Claim, defense, obligation, suit, judgment, demand, debt, right, cause of action or liability that is released pursuant to the Plan are permanently enjoined from taking any of the following actions on account of such released Claims, obligations, suits, judgments, demands, debts, rights, causes of action or liabilities: (i) commencing or continuing, in any manner or in any place, any action or other proceeding; (ii) enforcing, attaching, collecting or recovering in any manner any judgment, award, decree or order; (iii) creating, perfecting or enforcing any lien or encumbrance; (iv) asserting a setoff (except to the extent such setoff is preserved under the Plan for a holder of an Allowed Class 3 Claim) or right of subrogation of any kind against any debt, liability or obligation due to any released entity; and (v) commencing or continuing any action, in any manner, in any place that does not comply with or is inconsistent with the provisions of the Plan.

K. Exculpation and Limitation of Liability

The Reorganized Debtors, the Debtors, the Estates, the Committee, the Agent, the Lenders, and any and all of their respective current members, officers, Managers, directors, employees, equity holders, partners, affiliates, advisors, attorneys, agents or representatives, or any of their successors or assigns, shall not have or incur any liability to any holder of a Claim or an Interest, or any other party in interest, or any of their respective members, officers, Managers, directors, employees, equity holders, partners, affiliates, advisors, attorneys, agents or representatives, or any of their successors or assigns, for any act or omission in connection with, relating to or arising out of, the administration of the Chapter 11 Case, the negotiation of the terms of the Plan, the solicitation of acceptances of the Plan, the pursuit of confirmation of the Plan, the consummation of the Plan, or the administration of the Plan or the property to be distributed under the Plan, except for their willful misconduct or gross negligence, and in all respects shall be entitled to reasonably rely upon the advice of counsel with respect to their duties and responsibilities with respect to the Chapter 11 Case and the Plan.

Notwithstanding any other provision of the Plan, but without limiting the releases provided in the Plan or affecting the status or treatment of any Claim Allowed pursuant to the Plan, no holder of a Claim or Interest, no other party in interest, none of their respective members, Managers, officers, directors, employees, equity holders, partners, affiliates, subsidiaries, advisors, attorneys, agents or representatives, and no successors or assigns of the foregoing, shall have any right of action against the (i) Reorganized Debtors, the Debtors and the Estates, (ii) current and former members, officers, Managers, directors, employees, equity holders, partners, affiliates, subsidiaries, advisors, attorneys, agents or representatives of the Reorganized Debtors, the Debtors or the Estates, or any of their successors or assigns (each acting in such capacity), (iii) the members of the Committee (but not in their individual capacities), officers, Managers, directors, employees, equity holders, partners, affiliates, subsidiaries and any of their advisors, attorneys, agents or representatives, or any of their successors or assigns (each acting in such capacity) and (iv) the Agent and the Lenders or any of their respective current members, officers, Managers, directors, employees, equity holders, partners, affiliates, subsidiaries, advisors, attorneys, agents or representatives, or any of their successors or assigns (each acting in such capacity), for any act or omission in connection with, relating to or arising out of, the administration of the Chapter 11 Case, the solicitation of acceptances of the Plan, the pursuit of confirmation of the Plan, the consummation of the Plan, or the administration of the Plan or the property to be distributed under the Plan, except for their willful misconduct or gross negligence.

L. Waiver of Enforcement of Subordination

The classification and manner of satisfying all Claims and Interests under the Plan takes into consideration all subordination rights, if any, whether arising by contract or under general principles of equitable subordination, section 510(b) or 510(c) of the Bankruptcy Code, or otherwise. All subordination rights that a holder of a Claim may have with respect to any distribution to be made pursuant to the Plan will be discharged and terminated, and all actions related to the enforcement of such subordination rights will be permanently enjoined. Accordingly, distributions pursuant to the Plan to holders of Allowed Claims will not be subject to payment to a beneficiary of such terminated subordination rights, or to levy, garnishment, attachment or other legal process by a beneficiary of such terminated subordination rights. Pursuant to Bankruptcy Rule 9019 and in consideration of the distributions and other benefits provided under the Plan, the provisions of the Plan will constitute a good faith compromise and settlement of all claims or controversies relating to the subordination rights that a holder of a Claim may have or any distribution to be made pursuant to the Plan on account of such Claim. Entry of the Confirmation Order will constitute the Bankruptcy Court's approval, as of the Consummation Date, of the compromise or settlement of all such claims or controversies and the Bankruptcy Court's finding that such compromise or settlement is in the best interests of the Debtors, the Reorganized Debtors, their respective properties, and the holder of Claims, and is fair, equitable and reasonable.

M. Term of Injunctions or Stays

Unless otherwise provided herein or in the Confirmation Order, all injunctions or stays in effect in the Chapter 11 Case under sections 105 or 362 of the Bankruptcy Code or any order of the Bankruptcy Court, and extant on the Confirmation Date (excluding any injunctions or stays contained in the Plan or the Confirmation Order), shall remain in full force and effect until the Consummation Date. All injunctions or stays contained in the Plan or the Confirmation Order shall remain in full force and effect in accordance with their terms.

N. Binding Effect

The Plan shall be binding upon and inure to the benefit of the Debtors, all present and former holders of Claims against and Interests in the Debtors, whether or not such holders will receive or retain any property or interest in property under the Plan, their respective successors and assigns, including, without limitation, the Reorganized Debtors, and all other parties in interest in the Chapter 11 Case.

O. Revocation, Withdrawal or Non-Consummation

The Debtors reserve the right to revoke or withdraw the Plan at any time prior to the Confirmation Date and to file other plans of reorganization, in order to implement an Alternative Transaction or for any other reason. If the Debtors revoke or withdraw the Plan, or if confirmation or consummation of the Plan does not occur, then (i) the Plan shall be null and void in all respects, (ii) the Lender Settlement and any other settlement or compromise embodied in the Plan (including the fixing or limiting to an amount any Claim or Class of Claims), assumption or rejection of executory contracts or leases effected by the Plan, and any document or agreement executed pursuant to the Plan shall be deemed null and void, and (iii) nothing contained in the Plan, and no acts taken in preparation for consummation of the Plan, shall (a) constitute or be deemed to constitute a waiver or release of any Claims by or against, or any Interests in, the Debtors or any other Person, (b) prejudice in any manner the rights of the Debtors or any Person in any further proceedings involving the Debtors or (c) constitute an admission of any sort by the Debtors or any other Person. If this Plan is not confirmed, then the treatment of the Lender Claims under this Plan (a) shall not be deemed an admission of any kind by the Agent, or the Lenders, or a waiver of any rights or claims by the Agent or the Lenders, and (b) shall have no collateral estoppel, presumptive or evidentiary effect of any kind in any other matter or proceeding in this Chapter 11 Case or in any chapter 7 proceedings with respect to the Debtors.

P. Plan Supplement

Any and all exhibits, lists or schedules referred to herein but not filed with the Plan shall be contained in the Plan Supplement and filed with the Clerk of the Bankruptcy Court at least five (5) days prior to the date of the commencement of the Confirmation Hearing. Thereafter, any Person may examine the Plan Supplement in the office of the Clerk of the Bankruptcy Court during normal court hours. Holders of Claims or Interests may obtain a copy of the Plan Supplement upon written request to the Debtors in accordance with Article XIV.P hereof.

Q. Notices to Debtors

Any notice, request or demand required or permitted to be made or provided to or upon a Debtor or a Reorganized Debtor under the Plan shall be (i) in writing, (ii) served by (a) certified mail, return receipt requested, (b) hand delivery, (c) overnight delivery service, (d) first class mail or (e) facsimile transmission, and (iii) deemed to have been duly given or made when actually delivered or, in the case of notice by facsimile transmission, when received and telephonically confirmed, addressed as follows:

BIRCH TELECOM, INC.
2300 Main Street, Suite 600
Kansas City, MO 64108
Attn: Gregory C. Lawhon
CEO, President, Senior Vice President of Public Policy & General Counsel
Tel: (816) 300-3225
Fax: (816) 300-3247

with copies to:

SKADDEN, ARPS, SLATE, MEAGHER & FLOM LLP
One Rodney Square
P.O. Box 636
Wilmington, Delaware 19899-0636
Attn: Mark S. Chehi
Tel: (302) 651-3000
Fax: (302) 651-3001

R. Governing Law

Unless a rule of law or procedure is supplied by federal law (including the Bankruptcy Code and Bankruptcy Rules), (i) the laws of the State of Delaware shall govern the construction and implementation of the Plan, (ii) except as expressly provided otherwise in any agreements, documents and instruments executed in connection with the Plan, the laws of the State of Delaware shall govern the construction and implementation of such agreements, documents and instruments, and (iii) the laws of the state of incorporation, organization or formation of each Debtor shall govern corporate governance matters with respect to such Debtor, in each case without giving effect to the principles of conflicts of law thereof.

S. Section 1125(e) of the Bankruptcy Code

As of the Confirmation Date, the Debtors shall be deemed to have solicited acceptances of the Plan in good faith and in compliance with the applicable provisions of the Bankruptcy Code. The Debtors and each of their respective affiliates, agents, directors, officers, Managers, employees, investment bankers, financial advisors, attorneys and other professionals have participated in good faith and in compliance with the applicable provisions of the Bankruptcy Code in the offer and issuance of the New Securities under the Plan, and therefore are not, and on account of such offer, issuance and solicitation will not be, liable at any time for the violation of any applicable law, rule or regulation governing the solicitation of acceptances or rejections of the Plan or the offer and issuance of any New Securities under the Plan.

T. Dissolution of the Committee

On the Consummation Date, the Committee shall be dissolved and its members shall be deemed released of all their duties, responsibilities and obligations in connection with the Chapter 11 Case or the Plan or its implementation, and the retention or employment of the Committee's attorneys, accountants, and other agents shall terminate.

U. **Approval Of Lender Settlement**

In the event that the Bankruptcy Court does not approve the Lender Settlement on terms agreeable to the Lenders and the Debtors, the Confirmation Hearing shall be adjourned for not less than an additional fourteen (14) days to provide the Committee with the opportunity to file and serve objections to the Plan, and all parties' rights, claims and causes of action (including, without limitation, derivative claims and claims under chapter 5 of the Bankruptcy Code) and defenses thereto shall be preserved pending confirmation of the Plan and/or resolution of the Committee's and Committee members' objections (if any) to confirmation of the Plan.

Dated: Wilmington, Delaware
 February 15, 2006

BIRCH TELECOM, INC.

By: /s/ Gregory C. Lawhon
Gregory C. Lawhon
Chief Executive Officer, Senior Vice President
Public Policy, General Counsel and Secretary

BIRCH TELECOM 1996, INC.

By: /s/ Gregory C. Lawhon
Gregory C. Lawhon
Chief Executive Officer, Senior Vice President
Public Policy, General Counsel and Secretary

IONEX COMMUNICATIONS, INC.

By: /s/ Gregory C. Lawhon
Gregory C. Lawhon
Chief Executive Officer, Senior Vice President
Public Policy, General Counsel and Secretary

IONEX COMMUNICATIONS NORTH, INC.

By: /s/ Gregory C. Lawhon
Gregory C. Lawhon
Chief Executive Officer, Senior Vice President
Public Policy, General Counsel and Secretary

IONEX COMMUNICATIONS SOUTH, INC.

By: /s/ Gregory C. Lawhon
Gregory C. Lawhon
Chief Executive Officer, Senior Vice President
Public Policy, General Counsel and Secretary

IONEX TELECOMMUNICATIONS LEASING INC.

By: /s/ Gregory C. Lawhon
Gregory C. Lawhon
Chief Executive Officer, Senior Vice President
Public Policy, General Counsel and Secretary

TELECOM RESOURCES, INC.

By: /s/ Gregory C. Lawhon
Gregory C. Lawhon
Chief Executive Officer, Senior Vice President
Public Policy, General Counsel and Secretary

BIRCH EQUIPMENT, INC.

By: /s/ Gregory C. Lawhon
Gregory C. Lawhon
Chief Executive Officer, Senior Vice President
Public Policy, General Counsel and Secretary

BIRCH INTERNET SERVICES, INC.

By: /s/ Gregory C. Lawhon
Gregory C. Lawhon
Chief Executive Officer, Senior Vice President
Public Policy, General Counsel and Secretary

BIRCH KANSAS HOLDINGS, INC.

By: /s/ Gregory C. Lawhon
Gregory C. Lawhon
Chief Executive Officer, Senior Vice President
Public Policy, General Counsel and Secretary

BIRCH MANAGEMENT CORPORATION

By: /s/ Gregory C. Lawhon
Gregory C. Lawhon
Chief Executive Officer, Senior Vice President
Public Policy, General Counsel and Secretary

BIRCH TELECOM FINANCE, INC.

By: /s/ Gregory C. Lawhon
Gregory C. Lawhon
Chief Executive Officer, Senior Vice President
Public Policy, General Counsel and Secretary

BIRCH TELECOM OF ARKANSAS, INC.

By: /s/ Gregory C. Lawhon
Gregory C. Lawhon
Chief Executive Officer, Senior Vice President
Public Policy, General Counsel and Secretary

BIRCH TELECOM OF KANSAS, INC.

By: /s/ Gregory C. Lawhon
Gregory C. Lawhon
Chief Executive Officer, Senior Vice President
Public Policy, General Counsel and Secretary

BIRCH TELECOM OF MISSOURI, INC.

By: /s/ Gregory C. Lawhon
Gregory C. Lawhon
Chief Executive Officer, Senior Vice President
Public Policy, General Counsel and Secretary

BIRCH TELECOM OF NEBRASKA, INC.

By: /s/ Gregory C. Lawhon
Gregory C. Lawhon
Chief Executive Officer, Senior Vice President
Public Policy, General Counsel and Secretary

BIRCH TELECOM OF OKLAHOMA, INC.

By: /s/ Gregory C. Lawhon
Gregory C. Lawhon
Chief Executive Officer, Senior Vice President
Public Policy, General Counsel and Secretary

BIRCH TEXAS HOLDINGS, INC.

By: /s/ Gregory C. Lawhon
Gregory C. Lawhon
Chief Executive Officer, Senior Vice President
Public Policy, General Counsel and Secretary

BIRCH TELECOM OF THE GREAT LAKES, INC.

By: /s/ Gregory C. Lawhon
Gregory C. Lawhon
Chief Executive Officer, Senior Vice President
Public Policy, General Counsel and Secretary

BIRCH TELECOM OF THE SOUTH, INC.

By: /s/ Gregory C. Lawhon
Gregory C. Lawhon
Chief Executive Officer, Senior Vice President
Public Policy, General Counsel and Secretary

BIRCH TELECOM OF THE WEST, INC.

By: /s/ Gregory C. Lawhon
Gregory C. Lawhon
Chief Executive Officer, Senior Vice President
Public Policy, General Counsel and Secretary

CAPITAL COMMUNICATIONS CORPORATION

By: /s/ Gregory C. Lawhon
Gregory C. Lawhon
Chief Executive Officer, Senior Vice President
Public Policy and General Counsel

DUNN & ASSOCIATES, INC.

By: /s/ Gregory C. Lawhon
Gregory C. Lawhon
Chief Executive Officer, Senior Vice President
Public Policy, General Counsel and Secretary

I.S. ADVERTISING, INC.

By: /s/ Gregory C. Lawhon
Gregory C. Lawhon
Chief Executive Officer, Senior Vice President
Public Policy, General Counsel and Secretary

TELESOURCE COMMUNICATIONS, INC.

By: /s/ Gregory C. Lawhon
Gregory C. Lawhon
Chief Executive Officer, Senior Vice President
Public Policy, General Counsel and Secretary

AMERICAN LOCAL TELECOMMUNICATIONS L.L.C.

By: BIRCH TEXAS HOLDINGS, INC. its sole member

By: /s/ Gregory C. Lawhon
Gregory C. Lawhon
Chief Executive Officer, Senior Vice President
Public Policy, General Counsel and Secretary

BIRCH TELECOM OF TEXAS LTD., L.L.P.

By: BIRCH TEXAS HOLDINGS, INC., its general partner

By: /s/ Gregory C. Lawhon
Gregory C. Lawhon
Chief Executive Officer, Senior Vice President
Public Policy, General Counsel and Secretary

G.B.S. COMMUNICATIONS, INC.

By: /s/ Gregory C. Lawhon
Gregory C. Lawhon
Chief Executive Officer, Senior Vice President
Public Policy, General Counsel and Secretary

M.B.S. LEASING, INC.

By: /s/ Gregory C. Lawhon
Gregory C. Lawhon
Chief Executive Officer, Senior Vice President
Public Policy, General Counsel and Secretary

Debtors and Debtors-in-Possession

SKADDEN, ARPS, SLATE, MEAGHER & FLOM LLP
Counsel to Birch Telecom, Inc., *et al.*,
Debtors and Debtors-in-Possession

By: /s/ Mark S. Chehi
Mark S. Chehi (I.D. No. 2855)
Marion M. Quirk (I.D. No. 4136)
Christopher S. Chow (I.D. No. 4172)
One Rodney Square
P.O. Box 636
Wilmington, Delaware 19899-0636
(302) 651-3000

- and -

J. Gregory Milmo
Four Times Square
New York, New York 10036-6552

EXHIBIT A-1

TO

**THIRD AMENDED JOINT REORGANIZATION PLAN
OF BIRCH TELECOM, INC. AND ITS SUBSIDIARIES**

REORGANIZED BIRCH TELECOM, INC. CERTIFICATE OF INCORPORATION

**(Filed with Plan Supplement to Third Amended Joint Reorganization
Plan of Birch Telecom, Inc. and Its Subsidiaries)**

EXHIBIT A-2

TO

**THIRD AMENDED JOINT REORGANIZATION PLAN
OF BIRCH TELECOM, INC. AND ITS SUBSIDIARIES**

REORGANIZED BIRCH TELECOM, INC. BYLAWS

**(Filed with Plan Supplement to Third Amended Joint Reorganization
Plan of Birch Telecom, Inc. and Its Subsidiaries)**

EXHIBIT B

TO

**THIRD AMENDED JOINT REORGANIZATION PLAN
OF BIRCH TELECOM, INC. AND ITS SUBSIDIARIES**

DESCRIPTION OF NEW COMMON STOCK

The principal terms of the New Common Stock to be issued by Reorganized Birch under the Plan shall be as follows:

Authorization:	10,000 shares of common stock
Initial Issuance:	9,000 shares of common stock
Reserve:	1,000 shares of common stock
Par Value:	\$0.01 per share
Voting Rights:	One vote per share
Dividends:	When, as and if declared by the board of directors of Reorganized Birch (the "Board").

EXHIBIT C-1

TO

**THIRD AMENDED JOINT REORGANIZATION PLAN
OF BIRCH TELECOM, INC. AND ITS SUBSIDIARIES**

FORM OF NEW SECURED CREDIT AGREEMENT

**(Filed with Plan Supplement to Third Amended Joint Reorganization
Plan of Birch Telecom, Inc. and Its Subsidiaries)**

EXHIBIT C-2

TO

**THIRD AMENDED JOINT REORGANIZATION PLAN
OF BIRCH TELECOM, INC. AND ITS SUBSIDIARIES**

[RESERVED]

**(Filed with Plan Supplement to Third Amended Joint Reorganization
Plan of Birch Telecom, Inc. and Its Subsidiaries)**

EXHIBIT C-3

TO

**THIRD AMENDED JOINT REORGANIZATION PLAN
OF BIRCH TELECOM, INC. AND ITS SUBSIDIARIES**

FORM OF NEW GUARANTEE AND COLLATERAL AGREEMENT

**(Filed with Plan Supplement to Third Amended Joint Reorganization
Plan of Birch Telecom, Inc. and Its Subsidiaries)**

EXHIBIT D

TO

**THIRD AMENDED JOINT REORGANIZATION PLAN
OF BIRCH TELECOM, INC. AND ITS SUBSIDIARIES**

FORM OF STOCKHOLDERS' RIGHTS AGREEMENT

**(Filed with Plan Supplement to Third Amended Joint Reorganization
Plan of Birch Telecom, Inc. and Its Subsidiaries)**

EXHIBIT E

TO

**THIRD AMENDED JOINT REORGANIZATION PLAN
OF BIRCH TELECOM, INC. AND ITS SUBSIDIARIES**

FORM OF CLASS 4 CREDITOR TRUST AGREEMENT

**(Filed with Plan Supplement to Third Amended Joint Reorganization
Plan of Birch Telecom, Inc. and Its Subsidiaries)**

EXHIBIT F

TO

**THIRD AMENDED JOINT REORGANIZATION PLAN
OF BIRCH TELECOM, INC. AND ITS SUBSIDIARIES**

FORM OF DEFICIENCY CLAIM TRUST AGREEMENT

**(Filed with Plan Supplement to Third Amended Joint Reorganization
Plan of Birch Telecom, Inc. and Its Subsidiaries)**

EXHIBIT G

TO

**THIRD AMENDED JOINT REORGANIZATION PLAN
OF BIRCH TELECOM, INC. AND ITS SUBSIDIARIES**

FORM OF PLAN TRUST AGREEMENT

**(Filed with Plan Supplement to Third Amended Joint Reorganization
Plan of Birch Telecom, Inc. and Its Subsidiaries)**

SCHEDULE 1

TO

**THIRD AMENDED JOINT REORGANIZATION PLAN
OF BIRCH TELECOM, INC. AND ITS SUBSIDIARIES**

NON-EXCLUSIVE SCHEDULE OF RETAINED ACTIONS

SCHEDULE 1

Non-Exclusive Schedule of Retained Actions¹

Retained Actions (as defined in the Plan) include but are not limited to the following causes of action and claims, unless otherwise provided under the Plan:

- (1) Claims and causes of action asserted or capable of being asserted by the Debtors against the parties to the pending litigation matters set forth in Exhibit 1 hereto
- (2) The Debtors and Reorganized Debtors also have or may have, and are retaining, various claims, causes of action or rights arising under or pursuant to their insurance policies, and all rights arising under, relating to, or in connection with such policies are expressly reserved and retained.
- (3) The Debtors and Reorganized Debtors also have or may have various claims, causes of action or rights against certain parties not specifically identified herein, including claims, counterclaims and crossclaims in any pending litigation. All such claims, causes of action or rights are expressly reserved and retained.
- (4) The Debtors have numerous potential claims against customers who are behind or who have failed to make payment as required by contract. The Debtors are pursuing collection with respect to their accounts and may be forced to file suit against some of these customers. Additionally, many of the Debtors' past or present customers have filed for bankruptcy protection and the Debtors are pursuing claims against these customers through the bankruptcy process.
- (5) The Reorganized Debtors shall retain the right to assert any Avoidance Action (as defined in the Plan) defensively against any holder of a Claim that may be subject to an Avoidance Action, but only to the extent necessary to offset any liability of the Debtors or the Reorganized Debtors on unsettled and Disputed General Unsecured Claims, including without limitation, Claims of the kind contemplated by section 502(g)(1) of the Bankruptcy Code.

ALL OF THE ABOVE PERSONS OR ENTITIES INCLUDE THEIR AGENTS, EMPLOYEES, PROFESSIONALS, REPRESENTATIVES, OFFICERS, DIRECTORS, MEMBERS, PARTNERS, SUCCESSORS, AFFILIATES AND ASSIGNS. FURTHER, THE DEBTORS EXPRESSLY RESERVE THE RIGHT TO AMEND OR SUPPLEMENT THIS SCHEDULE AT ANY TIME PRIOR TO THE CONFIRMATION HEARING.

THE DEBTORS EXPRESSLY RESERVE ALL RIGHTS, DEFENSES AND COUNTERCLAIMS AGAINST ANY PERSON OR ENTITY THAT HAS ASSERTED OR COULD ASSERT A CAUSE OF ACTION OR CLAIM AGAINST THE DEBTORS.

¹ In addition to possible causes of action and claims listed herein, the Debtors may have, in the ordinary course of business, numerous causes of action, claims or rights against vendors or others with whom they deal in the ordinary course of business ("Ordinary Course Claims"). The Debtors and Reorganized Debtors reserve their rights to enforce, sue on, settle or compromise (or decline to do any of the foregoing) the Ordinary Course Claims, as well as the claims and causes of action listed herein.

EXHIBIT 1

Pending Litigation Matters

1. *John Early v Birch Telecom, Inc.*, Case No. 03CV216400, Division 3, pending in Circuit Court of Jackson County, Missouri.
2. *Harrison James Coney v. Ionex Telecommunications, Inc.*, Case No. 310-2003-06156, pending before the Texas Commission on Human Rights.
3. *Yolanda McCluskey*, Case No. 361-2003-01243, Case No. 361-2003-01357 and *Yolanda McCluskey v. Birch Telecom, Inc.*, Case No. 2004-2630, pending in the District Court of El Paso County, Texas.
4. *Monica Taylor v. Birch Telecom of the South, Inc.*, Case No. 1:05-CV-1414, pending in the District Court for the Northern District of Georgia, Atlanta Division.
5. *Becky Coleman v. Birch Telecom, Inc. et al.*, Case No. 310-2003-06885, pending before the Texas Commission on Human Rights.
6. *Veronica Chavez v. Birch Telecom, Inc.*, Case No. 2004-2631, pending in the District Court of El Paso County, Texas.
7. *Karina Hill v. Birch Telecom, Inc. et al.*, Case No. 281-2003-01470, pending before the Kansas Commission on Human Rights.
8. *Kimberly Ilgen v. Birch Telecom, Inc. et al.*, Case No. 36A-2004-00352 and Case No. 650-04-343, pending before the City of Austin Texas Equal Employment/Fair Housing Office.
9. *Paul Hull v. Birch Telecom, Inc. et al.*, Case No. 311-2004-04207, pending before the Oklahoma Commission on Human Rights.
10. *Douglas Streater v. Birch Telecom, Inc. et al.*, Case No. 310 2005 01634, pending before the Civil Rights Division of the Texas Workforce Commission and the Fort Worth Community Relations Department.
11. *AR, JO & MH, L.L.P. and Angel Reyes vs. SBC Communications, Inc., SBC Advertising, L.P., Zachariah Manning, Barnett & Manning, Inc., Accident & Injury Professionals, and Birch Telecom of Texas Ltd., LLP*, Case No. 05-05771, pending in Dallas County, TX District Court.
12. *A-Tech Surfus Internet Connect, LLC v. Birch Telecom, Inc., d/b/a Ionex Telecommunications, Inc.*, Case No. 05-40478, pending in the United States District Court of Appeals for the Fifth Circuit.
13. *Guardian Automatic Sprinkler Co., Inc. v. AT&T Corp. and Birch Telecom*, Case No. 04-2492-III, pending in Chancery Court for Davidson County, Tennessee at Nashville.
14. *McMakin Pharmacy v. Ionex Telecommunications, Inc.*, Case No. 95,411, pending in County Court at Law No. 1, Jefferson County, Texas.
15. *Argonaut Group, Inc. v. Birch Telecommunications f/k/a Ionex Communications, Inc., et al.*, Case No. 2003-CI-15080, pending in the District Court of Bexar County, Texas.
16. *R&W Supply, Inc. v. MCI International, Inc., Valor Telecom, SBC Communications, Inc. f/k/a Southwestern Bell, Birch Telecom of TX, Ltd., L.L.P., f/k/a Birch Telecom of TX, Inc., and Quest*, Case No. 15654, pending in the District Court of Lamb County, Texas.
17. *Computer Help for Kids, Inc. v. Birch Telecom, Inc.*, Case No. SM 2004 011825 JHA, pending in Small Claims Court Jefferson County, Alabama, appealed to Circuit Court.
18. *Max C. Pope, as Trustee vs Birch Telecom*, AP No. 05-00129-TBB, pending in U.S. Bankruptcy Court, Northern District of Alabama, Southern Division.

19. *Oklahoma Rehab & Respiratory, Inc. v. Birch Telecom of Oklahoma, Inc. and Ionex Communications, Inc.*, Case No. CJ-2004-4089, pending in Oklahoma County District Court.
20. *Brannon Rasberry & Associates, Inc. v. Ionex Communications, Inc.*, Case No. 2003-4194, pending in County Court at Law, Number 3, El Paso County, Texas.
21. *Integrated Detection Services, L.P. v. Ionex Telecommunications, Inc., Birch Telecom, Inc., Brenda French and Mike Irwin*, Case No. 2005-44341, pending in District Court of Harris County, Texas.
22. *Southwestern Bell Telephone Company ("SWBT") v. State Corporation Commission of the State of Kansas and Birch Telecom of Kansas*, Case Number 01-4158-RDR, pending in United States District Court for the District of Kansas (Topeka).
23. *Arbitration of Non-Costing Issues for Successor Interconnection Agreements to the Texas 271 Agreement*, Docket No. 28821, pending before the Public Utility Commission of Texas, Austin, Texas.
24. *Post Interconnection Dispute Resolution Proceeding Regarding Wire Center UNE Declassification*, Docket No. 3130, pending before the Public Utility Commission of Texas, Austin, Texas.
25. *In the Matter of Southwestern Bell Telephone, L.P.'s Application for Price Deregulation of Certain Residential and Business Telecommunications Services in the Kansas City, Wichita, and Topeka, Kansas, Metropolitan Exchanges Pursuant to K.S.A. 66-2005(q)*, Docket No. 05-SWBT-907-997-PDR, pending before the Kansas Corporation Commission, Topeka, Kansas.
26. *In the Matter of the Petition of CLEC Coalition for Arbitration against Southwestern Bell Telephone, L.P. d/b/a SBC Kansas under Section 252(b)(1) of the Telecommunications Act of 1996*, Docket No. 05-BTKT-365-ARB, pending before the Kansas Corporation Commission, Topeka, Kansas.
27. *In the Matter of a General Investigation to Establish a Successor Standard Agreement to the Kansas 271 Interconnection Agreement*, Docket No. 04-SWBT-763-GIT, pending before the Kansas Corporation Commission, Topeka, Kansas.
28. *Southwestern Bell Telephone, L.P. d/b/a SBC Missouri's Petition for Compulsory Arbitration of Unresolved Issues for a Successor Agreement to the Missouri 271 Agreement ("M2A")*, Case No. TO-2005-0336, pending before the Missouri Public Service Commission, Jefferson City, Missouri.
29. *Petition of CLEC Coalition Against Southwestern Bell Telephone, L.P. d/b/a SBC Oklahoma under Section 252(b)(1) of the Telecommunications Act of 1996*, pending before the Oklahoma Corporation Commission, Oklahoma City, Oklahoma, PUD 200400497.
30. *Sage Telecom, L.P. v. Public Utility Commission of Texas*, Case No. A-04-CA-364-SS, pending in the United States District Court, Western District of Texas, Austin Division.
31. *Southwestern Bell Telephone, L.P. d/b/a SBC Missouri v. The Missouri Public Service Commission, et al.*, Case No. 4: 05CV01264CAS, pending in the United States District Court, Eastern District of Missouri, Eastern Division.
32. *In Re: Petition for Generic Proceeding to Set Rates, Terms and Conditions for Batch Hot Cuts for UNE-P to UNE-L Conversions and for ILEC to UNE-L Conversions in the BellSouth Telecommunications, Inc. Service Area*, Docket No. 041338-TP/Docket No. 040301-TP, pending before the Florida Public Service Commission, Tallahassee, Florida.
33. *All South Properties vs. Birch Telecom*, Case No. SM200312934, pending in the Small Claims Court of Jefferson County, Alabama.
34. *Rankin Insurance Group Inc. v. Birch Telecom, Inc.*, Case No. 05-CVM-36595, pending in the General Court of Justice, Mecklenburg County, North Carolina.

35. *City of St. Louis, Missouri v. Birch Management*, Case No. ET442320, pending in the City Court of St. Louis, Missouri.
36. *James A. Bower v. Birch Telecom, Inc.*, Wage Claim Number 050922-2, pending before the Kansas Department of Labor.

SCHEDULE 2

TO

**THIRD AMENDED JOINT REORGANIZATION PLAN
OF BIRCH TELECOM, INC. AND ITS SUBSIDIARIES**

NON-EXCLUSIVE SCHEDULE OF ASSIGNED AVOIDANCE ACTIONS

Assigned Avoidance Actions

Named Party	Total Preference Period Payments
1601 Tower Properties, L.L.C.	\$10,824.00
1stel, Inc.	\$11.17
6070 Gateway East, LP	\$8,643.74
Aaron Spiegel	\$1,400.00
ABG Partnership Ltd.	\$40.05
Adams-Gabbert & Assoc. Inc.	\$14,080.00
Adtran, Inc	\$81,360.02
AEW/ McCord, LP	\$18,954.49
Affordable Car Carriers	\$75.00
AG Communications, Inc.	\$467.48
Agbri Commodore LP	\$7,362.12
Akins Ford Corp.	\$3,685.55
Alabama Power Company	\$502.55
Alabama Public Service Comm	\$3,374.83
Alagasco	\$68.86
Allen Samuels Dodge	\$1,386.22
Alliance Communications	\$505.97
Allied Waste Services	\$274.94
Alltel Communications Product	\$2,005.14
Alltel Communications Service	\$866.47
Alltel, Inc.	\$155,239.18
AMA Techtel Communications	\$55.93
AmerenUE	\$13,777.63
American Backflow	\$65.00
American Bar Association	\$310.00
American Express	\$172,235.38
American Fiber Network, Inc.	\$39.31
American Sentry	\$1,105.28
Americom Imaging Systems	\$169.82
Ameripride Service	\$268.78
Ameripride Services, Inc.	\$61.09
Ameritech - Illinois CABS	\$6,265.53
Ameritech Payphone Services	\$5,399.42
Amer-Stor, Inc.	\$1,646.88
Amresco Commercial Finance In.	\$92.38
Andrews TX	\$521.63
Antronix Distribution & Supply	\$1,875.36
APCC Services Inc	\$50,420.60
AP-Knight, LP	\$15,854.23
Arch Wireless Operating Co.	\$452.01
Ard, Inc.	\$122.59
Arizona Corporation Commission	\$45.00
Arkan. Int. Carrier Line Pool	\$3.00
Arkansas Intst Carrier Line	\$15.00
Armour Independent Telephone	\$183.99
Ascential Software Corporation	\$48,307.50
Ashley Oaks Properties, LLC	\$23,833.43
Associated General Contractors	\$1,425.33
Associates Solutions, Inc.	\$25,767.00
AT&T (TCG) Public Markets	\$882.28

Named Party	Total Preference Period Payments
ATIS	\$430.00
Atmos Energy	\$255.34
Atomz Corporation	\$315.00
Austin Independent Business	\$15.71
Aztec Capital, LLC	\$147.21
Bandwidth Exchange Bldgs. LLC	\$15,923.96
Bar Green Inc.	\$3,877.20
Baytown TX	\$1,382.33
BCE Conferencing	\$9,838.35
Bek Communications Cooperative	\$263.43
Ben E. Wiggins	\$640.28
Bestline Communications, LP	\$56.90
BGM Industries, Inc	\$1,276.96
Big River Telephone Company	\$422.15
Bill Rosen	\$3,418.75
Birdell Robinson	\$2,650.00
BlackBerry	\$1,500.00
Blaklee Jones-Kelley	\$204.02
Blossom Telephone Company	\$13.65
Bluestem Farm & Ranch Supply	\$66.71
Bluevista Phone Service-Spruce	\$63.25
Board of Public Utilities	\$1,813.58
Bob Newman	\$40.53
Bonham TX	\$509.15
Bostech Services, Inc.	\$119.08
Bradley K. Schimmel	\$465.80
Brandon M. Harpold	\$320.00
Brazos Telephone Cooperative	\$44.67
Brian Kasarjian	\$157.17
Brian Mayfield	\$183.96
Bridgewater-Canistota Tel Co	\$514.74
Broadlink Telecom	\$66.79
Brocato's Auto Repair LLC	\$691.40
Brookings Municipal Utilities	\$4,775.77
Bruno Family Real Estate	\$17,441.30
Bullseye Telecom Inc.	\$20.79
Business Telephone Co., Inc.	\$401.15
C. T. Godwin	\$5,921.50
C.O.T.P.A. (Parking Division)	\$661.08
Cali Schelling	\$890.00
California Secretary of State	\$25.00
Callwave, Inc	\$189.60
Canadian Valley Telephone	\$26.01
Capital 4 Outsourcing - TX	\$81.53
Capital Telecommunications Inc	\$113.73
CareerBuilder, Inc.	\$1,999.99
Carnegie Telephone Company	\$79.97
Carol Wilson	\$408.77
Carolina Business Comm., Inc.	\$4,141.48
Cassandra Wood	\$828.13
Cathy A. Banks	\$110.02
Cbeyond Communications of TX	\$753.89
CCA Financial, Inc	\$43,716.33

Named Party	Total Preference Period Payments
CCI - 16055, LTD	\$5,263.04
Cejan Autobody Repair	\$89.83
CenterPoint Energy	\$61.48
Central Detroit Diesel-Allison	\$1,940.52
Central States Recovery, Inc	\$558.27
Centrifuge, LLC	\$38,850.00
Centriq, LLC	\$4,666.64
Centris	\$3,587.43
Charlotte Chamber	\$486.00
Charter Fiberlink	\$176.77
Cherokee Telephone Company	\$10.01
Chester Press	\$1,621.38
Chicago Title Insurance Company	\$5,700.00
Chris Cagle	\$1,240.49
Chris Gianakos	\$360.62
Chris Lee	\$689.13
Cincinnati Bell Public Comm	\$346.30
Cintas Corporation	\$2,528.37
Cintas Document Management	\$934.00
Citizens Telephone Company	\$37.62
Citizen's Utility Ratepayer's	\$1,238.27
City National Bank	\$19,577.49
City of Abilene, TX	\$7,793.89
City of Ada, OK	\$1,928.02
City of Addison, TX	\$5,290.96
City of Aledo, Tx	\$625.32
City of Alice, TX	\$1,832.54
City of Allen, TX	\$910.80
City of Alvin, TX	\$2,269.08
City of Amarillo, TX	\$6,288.46
City of Angleton, TX	\$640.50
City of Ardmore, OK	\$347.35
City of Arlington, TX	\$95,686.83
City of Atlanta, TX	\$648.89
City of Austin, TX	\$140,869.17
City of Balch Springs, TX	\$781.00
City of Beaumont, TX	\$10,817.77
City of Bedford, TX	\$6,214.32
City of Beeville, TX	\$603.73
City of Bellaire, TX	\$959.81
City of Bellon, TX	\$1,105.14
City of Benbrook, TX	\$644.95
City of Big Spring, TX	\$1,668.52
City of Breckenridge, TX	\$554.19
City of Brenham, TX	\$1,947.00
City of Bridge City, TX	\$578.68
City of Brownsville, TX	\$8,145.77
City of Burleson, TX	\$3,554.60
City of Carrollton, TX	\$3,312.43
City of Carthage, TX	\$1,543.56
City of Castle Hills, TX	\$810.32
City of Cedar Hill, TX	\$2,253.07
City of Cedar Park, TX	\$520.19

Named Party	Total Preference Period Payments
City of Center, TX	\$613.56
City of Cleburne, TX	\$2,195.85
City of Colleyville, TX	\$1,842.61
City of Colorado City, TX	\$1,492.26
City of Columbus, TX	\$1,993.95
City of Corpus Christi, TX	\$64,339.96
City of Corsicana, TX	\$1,727.88
City of Crowley, TX	\$900.50
City of Dallas, TX	\$238,578.03
City of Deer Park, TX	\$975.42
City of DeSoto, TX	\$2,814.04
City of Donna, TX	\$554.75
City of Duncanville, TX	\$2,789.44
City of Edinburg, TX	\$1,915.49
City of El Paso, TX	\$94,277.52
City of Elgin, TX	\$598.62
City of Enid, OK	\$1,784.89
City of Ennis Tax Assessor	\$7.90
City of Ennis, TX	\$1,478.36
City of Euless, TX	\$6,561.85
City of Farmers Branch, TX	\$8,430.34
City of Floydada, TX	\$547.50
City of Forest Hill, TX	\$1,170.95
City of Forney, TX	\$854.00
City of Fort Stockton, TX	\$872.19
City of Fort Worth, TX	\$80,085.10
City of Friendswood, TX	\$1,018.40
City of Frisco, TX	\$2,191.08
City of Galveston, TX	\$9,241.08
City of Garland, TX	\$8,016.58
City of Georgetown, TX	\$603.77
City of Graham, TX	\$880.32
City of Granbury, TX	\$1,194.06
City of Grand Prairie, TX	\$13,052.20
City of Greenville, TX	\$2,171.40
City of Groves, TX	\$686.20
City of Haltom City, TX	\$3,867.06
City of Harlingen, TX	\$2,468.56
City of Hereford, TX	\$1,113.88
City of Hewitt, TX	\$1,504.54
City of Hillsboro, TX	\$864.64
City of Houston, TX	\$453,605.76
City of Humble, TX	\$613.16
City of Huntsville, TX	\$1,562.10
City of Hurst, TX	\$10,327.32
City of Irving, TX	\$3,260.34
City of Jacinto City, TX	\$525.53
City of Jasper, TX	\$294.69
City of Jefferson, TX	\$814.32
City of Jersey Village, TX	\$582.09
City of Katy, TX	\$876.90
City of Keller, TX	\$583.28
City of Kennedale, TX	\$670.92

Named Party	Total Preference Period Payments
City of Kermit, TX	\$1,468.80
City of Kilgore, TX	\$1,037.60
City of Kingsville, TX	\$1,236.96
City of La Porte, TX	\$2,168.63
City of Lampasas, TX	\$1,109.36
City of Lancaster, TX	\$1,218.28
City of Laredo, TX	\$25,816.05
City of Lockhart, TX	\$510.72
City of Longview Finance	\$9,116.22
City of Lubbock, TX	\$18,015.87
City of Lumberton, TX	\$669.80
City of Magnolia, TX	\$1,045.51
City of Mansfield, TX	\$6,105.80
City of Marlin, TX	\$1,091.86
City of Marshall, TX	\$2,123.67
City of McAllen, TX	\$7,513.21
City of McGregor, TX	\$608.96
City of McKinney, TX	\$5,349.28
City of Mesquite, TX	\$6,650.48
City of Mexia, TX	\$1,354.37
City of Midland, TX	\$18,690.84
City of Midlothian, TX	\$782.23
City of Mission, TX	\$1,555.94
City of Missouri City, TX	\$534.30
City of Monahans, TX	\$1,866.84
City of Mount Pleasant, TX	\$1,278.78
City of Muskogee, OK	\$1,206.94
City of Nacogdoches, TX	\$1,657.98
City of Nederland, TX	\$1,942.00
City of New Braunfels, TX	\$1,607.33
City of North Richland Hill, TX	\$5,679.92
City of Odessa, TX	\$17,024.35
City of Orange, TX	\$3,706.50
City of Pantego, TX	\$1,666.02
City of Paris, TX	\$1,746.24
City of Pasadena, TX	\$11,682.99
City of Pearland, TX	\$1,117.20
City of Pharr, TX	\$2,028.87
City of Pittsburg, TX	\$2,055.21
City of Plainview, TX	\$791.65
City of Plano, TX	\$7,493.26
City of Port Arthur, TX	\$3,759.44
City of Port Isabel, TX	\$520.80
City of Port Neches, TX	\$531.00
City of Richardson, TX	\$10,563.35
City of Richland Hills, TX	\$1,339.02
City of Richmond, TX	\$3,632.99
City of Roanoke, TX	\$666.42
City of Rockdale, TX	\$644.96
City of Rockwall, TX	\$3,104.88
City of Rollingwood, TX	\$1,146.36
City of Rosenberg, TX	\$2,513.78
City of Round Rock, TX	\$4,033.80

Named Party	Total Preference Period Payments
City of Saginaw, TX	\$991.86
City of San Antonio, TX	\$95,653.70
City of Sand Springs, OK	\$892.95
City of Seabrook, TX	\$1,039.36
City of Seguin, TX	\$1,301.67
City of Seminole, TX	\$1,868.25
City of Snyder, TX	\$1,516.50
City of Stafford, TX	\$589.96
City of Stillwater, OK	\$670.12
City of Sweetwater, TX	\$1,824.90
City of Taylor, TX	\$966.45
City of Teague, TX	\$564.54
City of Temple, TX	\$4,693.76
City of Terrell, TX	\$1,371.60
City of Texas City, TX	\$2,579.95
City of the Colony, TX	\$682.06
City of Tomball, TX	\$7,149.28
City of Tyler, TX	\$23,406.38
City of Universal City, TX	\$933.74
City of University Park, TX	\$816.42
City of Vernon, TX	\$502.83
City of Victoria, TX	\$2,795.10
City of Vidor, TX	\$1,662.00
City of Waco, TX	\$34,972.48
City of Watauga, TX	\$1,599.70
City of Waxahachie, TX	\$1,537.63
City of Weatherford, TX	\$1,621.38
City of Webster, TX	\$1,005.37
City of West, TX	\$768.90
City of Wharton, TX	\$861.36
City of Wichita Falls, TX	\$5,100.81
Clarke Power Services, Inc.	\$1,070.00
Classic Vending & Coffee	\$2,110.67
Clear Creek County Treasurer	\$65.47
CNA Surety	\$100.00
College Station TX	\$747.40
Collinsville City OK	\$412.94
Colonnade Realty Holdings L.P.	\$12,956.76
Colorado Public Utilities Comm	\$2,060.85
Colorado PUC Low Inc Fund #251	\$235.92
Comcast Phone of TX LLC	\$107.03
CommSouth	\$23.77
Communication PowerSystem-CPSI	\$20,880.09
Communication Wiring Solutions	\$865.00
Competitive Carriers of South	\$10,000.00
Computer Toolz, LLC	\$74.82
Connect Paging Inc	\$18.01
Contractor's Mechanical, Inc.	\$4,002.09
Corporate Tower LLC	\$17,045.21
Coverall of Houston	\$514.80
Cox Com, Inc.	\$1,991.44
Cozad Telephone Company	\$11.38
CPL Retail Energy, LP	\$10,915.35

Named Party	Total Preference Period Payments
Craw-Kan Telephone Coop	\$55.89
Critical Path, Inc.	\$525.00
Cross Telephone Company	\$60.28
CT Properties	\$7,153.50
CTE	\$262.50
CTSI - Stillwater	\$23.89
Culligan Water Cond.-Fenton, MO	\$21.20
Cumby Telephone Coop, Inc.	\$65.50
Cunningham Telephone Co Inc	\$214.08
Cust-O-Fab Service Company	\$45.00
D.A. Comp Consulting, Inc.	\$907.48
Dallas County Tax Assessor	\$24.85
Dana Panasuk	\$564.81
Daniel English	\$7.31
Data Net Systems LLC/IPP Escrow Trust Account	\$1,393.57
Data Source Media	\$1,726.99
David Shields	\$526.09
Deffenbaugh Disposal Service	\$91.60
Del City OK	\$263.88
DeLaSalle Education Center	\$4,756.50
Delaware Secretary of State	\$56,715.00
Dell Marketing L.P.	\$5,527.50
Delta Dental	\$133,123.26
Delta Dental of Missouri	\$9,687.60
Deluxe Business Forms & Suppls	\$749.47
Denton TX	\$2,917.65
Direct Messenger Service	\$4,459.07
Donald Franco	\$115.13
Double T Enterprises	\$116.00
Douglas Hood	\$230.68
DP Electronics, Inc.	\$2,301.31
DST Realty Inc.	\$339,503.00
Dynamic Recovery Services Inc	\$125.12
e Cashflow Systems	\$838.55
Eagle Lake TX	\$652.07
East Montgomery, L.L.C.	\$1,825.00
Eastern Shore Chamber of Comm	\$191.00
Eastex Telephone Coop , Inc.	\$97.96
Ed Schram Dodge Inc	\$55.88
Edward Gibson	\$196.88
Egyptian Telephone Coop Assn	\$62.45
El Paso County Treasurer	\$834.65
El-Saline Unified School Dist	\$1,246.32
EMG Communications	\$13,640.65
Emory TX	\$501.00
Employer Medical Services	\$54.14
Emporia Motors Inc	\$411.26
Emporia Printing	\$768.96
Endowment & Foundation Realty	\$5,989.61
Enid OK	\$273.62
Equant Inc.	\$16,118.00
Equifax Information Svcs, LLC	\$1,422.96
Equipment Management Servics	\$19.26

Named Party	Total Preference Period Payments
Erby P. Leible	\$2,154.86
Ernest A. Ford	\$4,537.72
Eschelon Telecom, Inc.	\$14.76
ETS Payphone, Inc.	\$32.11
Eufaula OK	\$164.86
EUR Systems	\$312.50
Excel Telecommunications, Inc.	\$227.98
Express Business Services	\$596.92
Express Communications Supply	\$802.23
Express Personnel Services Inc	\$13,596.12
Express Telephone Services	\$91.19
ExpressBill, Inc.	\$2,025.84
F&A Realty Amarillo, Ltd.	\$4,573.72
Fastpro International, Inc.	\$1,145.12
Faulkner, Steven D.	\$323,727.17
Federal Communications Bar Asn	\$125.00
FedEx Freight East	\$2,224.73
Fidelity Telephone Co.	\$134.73
First Choice Telemanagement	\$7,727.16
First Industrial, L. P.	\$11,245.54
First Telecom Group, Inc.	\$366.38
Fishbones, Inc. - A Texas Corp	\$54.69
Fisher, Judith R.	\$2,412.33
Fleet Fueling	\$63,276.67
For 1031 Regents LLC	\$3,587.28
Foremost Telecommunications	\$62.19
Forrestt Howard	\$549.28
Fort Randall Telephone Company	\$1,228.03
Foss Training and Consulting	\$995.00
Frank L. Traver	\$222.05
Fredrick Harlow	\$501.33
Freeman, Trent C.	\$2,362.50
Frey Carpet & Furnishings Care	\$940.00
Frontier - A Citizens Comm Co.	\$1,264.11
Frontier Communications of MN	\$9,582.91
Fry-Wagner Moving & Storage	\$18,633.61
FSH Communications	\$4,802.67
Ganado Telephone Co.	\$18.35
Garden Valley Telephone Co.	\$0.49
Garden Valley Telephone Co.	\$343.60
Garry Mize	\$156.79
Gary Ferguson	\$237.96
Gary S. Howard	\$5,062.50
GCB Communications dba Pacific	\$255.39
GCEC Technologies	\$104.82
GE Capital	\$128.67
Genisys Group Inc	\$66,626.82
Geo. E. Fern Co.	\$325.59
Geo. Groh and Sons, Inc.	\$683.84
Gerald Schumann Electric Inc	\$917.30
G-Five Corporation	\$1,373.32
Gid R Johnson Family Real	\$1,910.00
Gisick, Michael	\$164.01

Named Party	Total Preference Period Payments
Global Crossing	\$712.87
Golden Belt Telephone	\$46.18
Golden West Telecommunications	\$363.76
Gonzales TX	\$664.00
Grand Centre LLC	\$4,980.72
Grand River	\$84.11
Granite Properties/NWX Partner	\$10,826.20
Grapevine, TX	\$1,240.36
Graybar Financial	\$787.46
Great America Leasing Corp.	\$1,865.66
Great Plains Communications	\$726.66
Green Hills Telephone Co.	\$15.05
Gregory F. X. Daly	\$150.00
Guest & Associates P.C.	\$20.00
Gulf Coast Teleco	\$2,180.54
H & B Communications	\$19.48
Haberberger, Inc	\$927.67
Habia Comunicaciones	\$106.79
Hall's Culligan - Wichita	\$21.26
Hamilton Long Distance	\$2.47
Harris & Son Trash Recycling	\$70.00
Harrisonville Telephone Co	\$426.86
Haviland Telephone	\$495.59
Hearn, TX	\$1,093.65
Heartland Telecomm Co of Iowa	\$285.75
Henry A Ganzalez	\$3,966.07
Henry Communications	\$11.33
Hershey Coop Telephone Co.	\$20.50
Hidalgo TX	\$522.00
Highland Park, TX	\$169.65
Highwoods Realty LP	\$1,161.83
Highwoods Realty, LP	\$17,265.74
Hills Telephone Company	\$21.29
Hitec Communications	\$13.28
Hollingsworth, David	\$683,186.86
Home Telephone Co	\$191.76
Hometown Solutions	\$11.79
Hot Jobs	\$3,372.00
House of Real Estate	\$700.00
Houston Independent School Dis	\$784.47
HQ Global Workplaces	\$95,599.97
IBM Corporation	\$3,735.62
ICG Communications	\$205.44
Icon Properties-PlainviewPlace	\$12,802.38
Ikano Communications, Inc.	\$4,992.00
ikon Office Solutions	\$3,228.43
Independent Neca Services	\$122,499.36
Innovative Technology Solution	\$2,136.00
InSite El Paso (Overland) LP	\$5,175.43
InSite Fountainview, L.P.	\$35,268.99
Institute of Psychorientology	\$500.00
Integra Telecom	\$20.33
International Communications	\$14,422.00

Named Party	Total Preference Period Payments
Interstate North Office Park	\$457.57
Interstate Tele-com Coop, Inc.	\$2,196.00
Intrust Card Center	\$20.00
Investigative Solutions	\$4,289.50
Iowa Network Services	\$977.22
Iowa State Bar Assn.	\$125.00
Iowa Telecom	\$258.68
IQC, LLC dba CNB Communication	\$49.23
Jack E. Mills, Partner	\$1,000.00
Jacksboro Public Library	\$308.03
Janet Shuey	\$8,470.00
Javelli, John	\$187.67
Jeffrey A. Sapinsley	\$158.58
Jeffrey P. Bielicki	\$34.63
Jenks City, OK	\$664.52
Jeremy D. Wells	\$280.00
Jerry Cheek	\$207.64
JIK Enterprises LLC	\$303.69
JMZ Associates	\$37,913.82
Joel Tassiello	\$1,458.54
John Bergman	\$127.25
John Fittell	\$234.78
John W Tull, Jr.	\$16,021.61
John W. Jones	\$52.08
Johnson County Treasurer	\$3.00
Johnson, Gary	\$296,181.83
Joshua Aaron Kvas	\$45.00
K.C. Partners	\$54,010.32
Kalyanam Ramesh	\$1,637.47
Kansas - Division of Purchases	\$974.56
Kansas Gas Service	\$2,332.80
Kansas Rest & Hosp. Assn.	\$4,450.78
Kansas Turnpike Authority	\$510.64
KB Fund VI	\$11,037.57
Kejr, Larry	\$8,828.22
Keller Fire & Safety, Inc.	\$2,688.58
Kelly Alley dba The Fone Man	\$8,103.86
Ken Sparks	\$330.00
Kenneth Copeland	\$125.00
Kenton Brothers, Inc.	\$74.50
Kerry Pollard	\$363.90
Kevin Johnson	\$117.78
Kevin T. Shireman	\$525.00
Key Corporate Capital Inc.	\$3,879.83
Key People Company Inc	\$420.00
Koger Equity, Inc.	\$45,883.00
KONE	\$127.55
Konstantinos A. Kopules	\$124.47
Kristina Lynn Davies	\$497.08
Kross Office Outfitters	\$1,019.10
Kurt Holmes	\$240.76
L.A. Weight Loss	\$420.28
Laclede Gas Company	\$565.94

Named Party	Total Preference Period Payments
Lake County Communications	\$12.85
Lan-Com Technologies, Inc	\$814.68
LandShapes INC	\$541.00
Laredo Communications	\$12.50
Lathrop Telephone Company	\$227.52
Lavaca Telephone Company	\$10.54
Leading Edge Communication	\$331.36
Lee Ann Heise	\$24,968.00
Lenox Park Building D Partners	\$6,443.92
Level 3 Communications, LLC	\$33,579.00
Levitt Enterprises, Inc.	\$17,500.00
Lewisville TX	\$1,353.76
Lightyear Communications	\$28.63
Lincoln Champion Investors, LP	\$20,381.56
Local Phone Services, Inc.	\$174.75
Logix Communications Corp.	\$21.31
Looking Glass Networks	\$51,855.45
Lord's Computer Group Partners	\$16,633.88
Love Box Co.	\$5,243.05
Lyndy Boyd	\$257.26
Madison Telephone Company	\$246.55
Madisonville TX	\$1,503.56
Maid of Honor, Inc	\$591.05
Mall Print, Inc	\$70,045.31
Mapleton Comm Management Co	\$96.22
Mark Ditta	\$2,625.00
Mark Wood	\$2,200.53
Market Centre	\$2,666.66
Marriot	\$3,700.00
Mary Carol Hasty	\$977.50
Max Gregory Munder	\$100.00
MC Lioness Realty Group LLC	\$91,660.46
McCarthy, Burgess & Wolff	\$2,297.90
McCormack-Payton Storage	\$17,419.62
MCI	\$1,001,731.96
McKinzie Pest Control	\$255.97
McKnight Investment	\$11,591.72
MCR Partners	\$76,749.50
Medicine Park Telephone Co.	\$13.41
Melissa Garza	\$59.40
Metavante Corporation	\$16,777.34
Metro St. Louis Sewer District	\$244.53
Metro Tech Service Corp.	\$150.00
Metrocall	\$344.71
Metrocall Wireless	\$580.45
MetTel Clearing Services	\$214.40
Michael P. Couch	\$288.59
Mid America Computer Corp.	\$16,296.02
Mid-America Telephone Company	\$22.68
Mid-Cities Office	\$18,466.93
Mid-Cities Office Systems, Inc	\$24,612.82
Midcontinent Communications	\$1,826.01
Mid-Missouri Telephone Company	\$11.47

Named Party	Total Preference Period Payments
Midstate Communications-SD	\$11.28
Midwest Locksmiths, Inc.	\$3.20
Midwest Mechanical Ser.Inc	\$16,559.32
Midwest Waste	\$135.71
Mike Farmer	\$22.95
Missouri Network Alliance	\$21,878.24
Missouri Notary Service and	\$69.90
Missouri Valley Communications	\$125.76
Missouri-American Water Co.	\$180.65
Mobile Area Chamber of Commere	\$346.50
Modern Air Conditioning	\$5,304.64
MoKan Dial Telephone Company	\$173.39
Monster Worldwide, Inc.	\$13,500.00
Moses Garcia	\$508.47
MoUSF Administrator	\$6,688.92
Mukesh Nagpal	\$25,682.21
Mustang OK	\$192.17
Mutual Telephone Company	\$190.31
Names4Ever	\$66.96
National Building Systems	\$50.00
National Emergency Number Assn	\$400.00
National Teachers Hall of Fame	\$10,513.21
Navigator Telecommunications	\$463.72
NC Dept Commerce / Utilities	\$2,989.55
NE Tech & Telecommunications	\$618.55
Nebraska Central Telephone Co.	\$37.20
NEC Unified Solutions, Inc.	\$46,695.99
NECA KUSF	\$162,402.97
NECA OKUSF	\$5,666.26
NECA TXUSF	\$645,722.25
Nevada Public Utilities Comm	\$100.00
New Access Communications	\$10.13
New Edge Networks	\$37,997.05
New London Telephone Company	\$18.28
New York Access Billing,LLC	\$2,814.40
Nextel Communications	\$58,979.67
Nick Igbokwe Jr.	\$115.81
NII Communications	\$3,173.95
Ninnekah City, OK	\$12.40
North Crest Inc.	\$4,719.00
North Dakota Telephone	\$1,500.63
North Star Dodge Sales, Inc	\$1,017.99
North Texas Telephone	\$10.60
North Texas Tollway Authority	\$407.05
Northeast Missouri Rural Tele	\$16.25
Northeast Nebraska Telephone	\$171.29
Northern Iowa Telephone Co.	\$162.04
Northern Valley Communications	\$606.06
Northwest Metroport Chamber	\$385.90
Northwest Telecommunications	\$9.67
Nowotny Consulting Inc.	\$9,600.00
NTS Com. Term 841570	\$646.43
NuVox Communications Inc.	\$1,305.28

Named Party	Total Preference Period Payments
Odysoft, Inc.	\$2,258.27
Oklahoma City Treasurer	\$22,839.71
Oklahoma Communication Systems	\$256.88
Oklahoma High Cost Fund	\$16,739.00
Oklahoma Telephone & Telegraph	\$41.35
Ola Ayekuusibe	\$681.85
Olden Williams	\$1,150.00
One Corporate Centre	\$22,648.50
O'Neal Electric Service, Inc.	\$5,414.00
Orbitcom, Inc., fka VP Telecom	\$651.30
Orchard Farm Telephone Company	\$11.50
Ozarka Natural Spring Water	\$62.62
Pacer Service Center	\$772.08
Pacific Bell	\$2,482.35
Panhandle Telephone Coop	\$52.29
Parfinco TX, LLC	\$4,337.33
Parking Management Division	\$50.00
Pathwayz Communications	\$77.72
Patriot Building Corp.	\$4,790.30
Paul Bunyan Rural Telephone	\$29.85
Paul E. Duplantis	\$12.80
Paul Revere Square Prof. Bldg.	\$1,375.00
Payphone Management	\$15.81
Peoples Telephone Cooperative	\$33.87
Perry City OK	\$58.40
PharmaCare Management Services	\$164,648.25
Phillip McKibbin	\$961.34
Phillip Curtis	\$906.20
PICS Telecom Corporation	\$20,311.55
Pierce Leahy Corp.	\$836.00
Pierremont Off. Park III LLC	\$5,074.51
Pikepass	\$92.01
Pitney Bowes Credit Corp-KY	\$23,585.31
PJS Midland, Ltd	\$1,794.66
Polar Telecommunications	\$34.84
Popp Telecom	\$10.44
Postage by Phone-Reserve Acct.	\$5,000.00
Postmaster KC	\$209.00
Postmaster - Emporia	\$2,125.00
Potter County Tax Assessor	\$28.55
Prairie Stream Communications	\$178.36
Prairiewave Community Tel	\$501.92
Price Truck Line, Inc.	\$1,538.92
Private Payphone Owners Networ	\$4,842.69
ProData Computer Services, Inc	\$295.00
Professional Management of	\$235.00
Professional Printing	\$75.00
Prominent Northpoint, LP	\$10,321.39
Promontory Point	\$2,601.87
Prose, Inc.	\$60,534.16
Prostaff	\$17,395.01
Pure Health Solution Inc.	\$189.75
Pyle, Sean F.	\$460,389.68

Named Party	Total Preference Period Payments
Quick-Tel Communications Inc.	\$81.46
RAK Main Place Associates, LP	\$20,166.17
Rashesh Rangrej	\$964.46
Rayce B. West II	\$21.93
Raymond P. White	\$279.09
RDO Cleaning Concepts, LLC	\$1,486.00
Reliant Energy	\$1,083.11
Republic Waste Services	\$240.91
Reservation Telephone	\$135.10
Rhode Island Secretary State	\$175.00
Richmond Plaza, LP	\$10,064.07
Robert C. Springer	\$255.00
Robert H. Uhl	\$456.25
Robert Rogers	\$599.65
Rock Gray	\$19.65
Rock of Life Church	\$300.00
Rodney Peterson	\$61.09
Ron Chiles	\$102.87
Ron Hughes	\$56.51
Ronald Leggett, Coll of Rev	\$2,027.40
Rooks County Treasurer	\$115.38
Rosebud Telephone	\$347.09
Rotan TX	\$560.28
Roto Rooter Services CO	\$99.95
Rottler Pest Control	\$105.00
Routt County Treasurer	\$16.26
Roy Young	\$277.50
Runestone Telephone Assoc	\$36.34
Rutherford County Chamber	\$354.00
S.A.M. Cleaning	\$12,770.00
Sage Telecom	\$1,366.32
Saginaw Area Chamber of Comm	\$185.00
Sammy L. Condra	\$254.13
San Angelo TX	\$2,310.62
Sand Springs OK	\$275.43
Sandstone Executive Plaza LP	\$1,777.60
Sandy Patton	\$450.00
Santel Communications Coop	\$313.15
SBP Nashville LLC	\$12,050.50
SC Office of Regulatory Staff	\$42,356.08
Scheer Plumbing	\$96.91
Scheller's	\$42.72
Scott Tajchman	\$1,685.00
Scott, David E.	\$939,563.36
Scott, Richard	\$301,042.04
Second Century Communications	\$1,833.96
Secretary at Law	\$314.40
Secretary of State - Arkansas	\$25.08
Secretary of State - LA	\$25.00
Secretary of State - SD	\$30.00
Secretary of State - TX	\$400.00
Secretary of State-IL	\$207.00
Security National Partners #2	\$22,312.50

Named Party	Total Preference Period Payments
Servpro of Central Alabama	\$53.75
Seventy NE Loop 410 Invest LP	\$14,934.80
Shayne Davenport	\$170.75
Shelly Bengston	\$341.96
Sher Care Corporation	\$12,480.91
Sherman TX	\$655.08
Sherry Jenny	\$182.94
Shidler Telephone Company	\$11.54
ShredUSA	\$390.00
Sioux Valley Telephone Co.	\$854.48
SKT Dalton Telephone Company	\$356.59
Smith, Sandy	\$12.50
SMS Systems Maintenance Serv.	\$5,042.08
SMS/800 Management Team	\$16,262.58
Sodexo Marriott Services	\$152.94
Solarcom LLC	\$130,351.13
South Central Wireless	\$194.47
South Padre Island TX	\$712.25
Southeast Saline USD 306	\$101.86
Southern Telcom Network Inc.	\$30.99
Southlake TX	\$686.89
Sparkletts	\$48.10
Specialized Transportation Inc	\$2,501.70
Spectra Communications Group	\$3,732.19
Spencer Reed Group, Inc.	\$18,500.00
Spicers Paper, Inc.	\$3,364.70
Splitrock Properties	\$226.24
Sprint	\$127.74
Sprint - Local	\$80,159.46
Sprint - NEAC	\$222.63
Sprint (Wholesale)	\$6,148.70
Sprint North Supply	\$37,268.70
Sprint Pay Phone Services, Inc	\$8,099.13
Sprint/Local Telecommunication	\$24,947.25
SRT Communications	\$462.35
SSPS, Inc	\$580.50
St. Louis County Gross Receipt	\$3,589.46
St. Marks Lutheran Church	\$300.00
St. Paul Property, Inc.	\$1,534.42
Standard Parking	\$51,154.40
Stanton Telecom, Inc.	\$81.72
Staples	\$1,065.44
State of Louisiana Treasury	\$241.18
Stephenson Electric Co.	\$145.00
Steven A. Smith	\$202.53
Stillman Maxon	\$158.22
Strahm Automation	\$19,943.91
T D Madison and Associates	\$54,270.50
Tapco Products	\$522.86
Tarkington Indep. School Dist.	\$3,388.72
Telcom Products Int'l	\$3,074.99
Teleco of Augusta	\$1,375.80
Teleco Springfield	\$284.90

Named Party	Total Preference Period Payments
Tele-Interpreters	\$1,284.36
Telephone Solutions	\$10,122.50
Teller County Treasurer	\$128.71
TelPlus Communications	\$173.21
TelSystem 47	\$2,032.81
Terminix International	\$151.56
Terral Telephone Company	\$14.54
Terry Maxfield	\$6,872.00
Texarkana TX	\$510.64
Texas Arbitration Mediation	\$800.00
Texas Dept. of Transportation	\$2.00
Texas Gas Svc - Southern Union	\$38.34
Texas Growth Fund Management	\$5,246.48
The Arnold Group - Olsten Staf	\$18,888.54
The Atrium Partnership	\$50,253.35
The Hertz Corporation	\$163.43
The Law Company, Inc.	\$6,794.16
The Pager Company	\$562.06
The UPS Store	\$180.00
Thomas Electric, Inc.	\$125.00
Thomas Transfer & Storage Co	\$6,311.00
Thomas Van Arsdale	\$90.56
Three River Communications	\$62.52
Time Warner Telecom - IL	\$110,367.10
Timmer, James G.	\$412,424.26
TMP Worldwide	\$12,419.01
Toshiba - 116200	\$18,002.28
Trans Union LLC	\$362.89
Transitions Group Inc.	\$3,599.00
Trevor Warner	\$1,350.70
Tri-County Telephone Co.	\$60.40
Trimont Real Estate Advisors	\$40,332.34
Trinsic Communications, Inc.	\$92.72
Troy Indep School District	\$7,961.71
Tr-State Payphone	\$0.49
TSO, Inc.	\$93.50
Turtle Mountain Communications	\$652.60
TWG Consulting Inc.	\$59,910.00
TXU Communications	\$265.71
TXU-Electric	\$7,579.11
Ukejuh, Isaac	\$131.49
Union Telephone Company	\$246.93
Unipoint Holdings	\$42,521.07
Unisource Document Products	\$1,244.02
United Mechanical Service, Inc	\$322.00
United Parcel Service - NV	\$53,739.08
United Telephone Assn.	\$3,700.02
United Telephone Mutual Aid	\$604.09
United Way of Flint Hills	\$3,691.74
United Way Salina Area	\$35.00
Universal Service Admin Co.	\$1,000,839.40
Universal Voice/Data	\$6,762.91
Unruh Automotive	\$140.00

Named Party	Total Preference Period Payments
UPS Store, The	\$92.45
US Bancorp Office Equipment	\$609.09
US Link	\$36.66
Valley Telco Coop Assn	\$54.35
Valliant Telephone Company	\$54.57
Valor Telecommunications	\$48,726.73
Vartec Telecom Inc.	\$179.12
Verilink Corp.	\$200,000.00
Verizon	\$273,537.28
Verizon Communications Inc.	\$13,365.66
Victory Lighting Services, Inc	\$365.29
ViryaNet	\$35,000.00
Vivian Telephone Company	\$2,306.89
Vranicar, David W.	\$435,048.01
Waste Management Longhorn	\$235.41
Waste Management-Lewisville	\$571.46
Waste Mgmt of St. Louis	\$329.84
Water Works & Sanitation Board	\$28.00
Watts Up Lighting	\$58.93
Weld County Treasurer	\$77.86
Wells Fargo Financial Leasing	\$759.68
West Iowa Telephone Company	\$608.91
West Orange-Cove Cons School	\$6,670.29
West River Cooperative	\$323.52
West River Telecommunications	\$643.85
Westar Energy	\$38,176.06
Westel, Inc-TX	\$234.59
Western Iowa Telephone Assoc.	\$88.00
Wes-Tex Telecommunications	\$33.76
Wheat State Telephone	\$390.16
Wichita KS	\$49,194.78
Wildcat, Inc. Property Mgmt.	\$1,600.00
William M. Helmer	\$316.49
Williams Communications	\$107,420.50
Wilson Plaza Assoc., LP	\$10,142.76
Wilson Telephone Co.	\$220.90
WITel Communications, L.L.C.	\$325,019.44
Windshield Specialist	\$184.02
Wonderlic, Inc.	\$1,199.25
Woodward City, OK	\$363.80
Wyandotte Telephone Company	\$13.15
Wyoming Public Service Commisn	\$5.00
Wyoming Universal Service Fund	\$16.28
Xerox Corp	\$30,453.87
Zekeri A. Momodu	\$275.41
Zouire, LLC	\$15,142.90

SCHEDULE 3

TO

**THIRD AMENDED JOINT REORGANIZATION PLAN
OF BIRCH TELECOM, INC. AND ITS SUBSIDIARIES**

NON-EXCLUSIVE SCHEDULE OF REJECTED UNEXPIRED LEASES AND EXECUTORY CONTRACTS

Birch Telecom, Inc. and its Subsidiaries
Non-Exclusive Schedule of Rejected Unexpired Leases and Executory Contracts ¹

Non-Debtor Party to Lease/Contract	Address	City	State	Zip	Description
Achterberg And Neustrom	118 S. 7th	Salina	KS	67401	The Agreement: Toshiba Maintained Free for a Lifetime (No. 1872)
Add-A-Line Communications	Attn: Steven D. Scott P.O. Box 384	Olmato	TX	78575-0384	Field Services Agreement
ADS MB Corporation, d/b/a The Mail Box	Attn: Carol Rolfs 2322 French Settlement Rd. 1 Town Center Rd.	Dallas	TX	75212	Master Service Agreement; Confidentiality Agreement
ADT Security Systems		Boca Raton	FL	33486	Security services in Kansas City; Austin; Wichita; Houston
Advantage Business Systems	Attn: John W. Tull, Jr. and/or Mark Tull 135 Turner Lane	Lenoir City	TN	37771	Field Service Agreements
Alcatel Networks, Inc.	Attn: Contracts/Legal 15306 Conference Center Dr. 216 N. Main	Chantilly	VA	20151	Purchase and License Agreement
American Family Insurance		Newton	KS	67114	The Agreement: Toshiba Maintained Free for a Lifetime (No. 1778)
American Red Cross	2601 Anderson Avenue	Manhattan	KS	66502	The Agreement: Toshiba Maintained Free for a Lifetime (No. 2012)
American Title & Abstract	412 N. Kansas	Liberal	KS	67901	The Agreement: Toshiba Maintained Free for a Lifetime (No. 1900)
Anesthesia Assoc Of Central Kansas	1300 East Iron	Salina	KS	67401	The Agreement: Toshiba Maintained Free for a Lifetime (No. 2916)
AP-Knight, LP	1301 Avenue of the Americas 38th Floor	New York	NY	10023	Lease Agreement (The Wingate Building, Suite 235, 4900 Koger Boulevard, Greensboro, NC); and Lease Agreement (The Dorchester Building, 400 Executive Center Drive, Suite 310, Greenville, SC)
Ashley Oaks Properties, LLC c/o ELV Associates, Inc.	P.O. Box 84-5028	Boston	MA	02284-5032	Lease Agreement (Ashley Corporate Center, 4401 Belle Oaks Drive, Suite 200, North Charleston, SC)
Assoc Of Comm Arts	114 W. Walnut	Salina	KS	67401	The Agreement: Toshiba Maintained Free for a Lifetime (No. 1826)
Associates Solutions, Inc.	13228 West 99th Street	Lenexa	KS	66215	Consulting Agreement
Audio Lite	701 Graham St.	Emporia	KS	66801	The Agreement: Toshiba Maintained Free for a Lifetime (No. 1798)
Baio Telecom	Attn: David Baio 5737 Ridgely Ct.	Milton	FL	32583	Field Services Agreement
Bank Of Sedan	125 W. Main P.O. Box 99	Sedan	KS	67361	The Agreement: Toshiba Maintained Free for a Lifetime (No. 2006)
Bar Green, Inc.	Attn: Jason Whitlow 4125 Yancey Rd.	Charlotte	NC	28217	Field Services Agreement
Beacon Technologies Group, LLC	Attn: David Brown 911 Twin Elms Court	Nashville	TN	37210	Field Services Agreement
Bethpage	441 N. Industrial	Liberal	KS	67901	The Agreement: Toshiba Maintained Free for a Lifetime (No. 1990)
Bethpage	2708 N. 11th	Garden City	KS	67846	The Agreement: Toshiba Maintained Free for a Lifetime (No. 2926)

¹ The Debtors' rejection of employment agreements listed herein is subject to Article VIII.G of the Plan.

Birch Telecom, Inc. and its Subsidiaries
Non-Exclusive Schedule of Rejected Unexpired Leases and Executory Contracts

Non-Debtor Party to Lease/Contract	Address	City	State	Zip	Description
Billings Plumbing &	511 N. Summit	Arkansas City	KS	67005	The Agreement: Toshiba Maintained Free for a Lifetime (No. 1788)
Blackburn Nursery	4100 SW 40th Street	Topeka	KS	66610	The Agreement: Toshiba Maintained Free for a Lifetime (No. 1605)
Bluestem Farm & Ranch	2611 W. US Highway 50	Emporia	KS	66801	The Agreement: Toshiba Maintained Free for a Lifetime (No. 2972)
Broadwing Communication Services, Inc.	1122 Capital of Texas Hwy S.	Austin	TX	78746	Master Services Agreement (8/2000); Rack Space Agreements for Corpus Christi, Midland and San Antonio; Broadwing Service Supplement; Supplement Data Collocation Bandwidth; Private Line Service Supplement; Digital and Optical; Broadwing Master Services Agreement Amendments Nos. 1, 2, and 3
Bruno Family Real Estate, L.P.	100 Grandview Place, Suite 500	Birmingham	AL	35243	Office Lease (Bruno Capital Building at Grandview, Suite 120, 100 Grandview Place, Birmingham, AL)
BS Trailer Sales	1900 E. Wyatt Earp Blvd.	Dodge City	KS	67801	The Agreement: Toshiba Maintained Free for a Lifetime (No. 3102)
BTS Integrated	Attn: Anthony Goss 3522 Avenue 1	Fort Worth	TX	76105	Field Services Agreement
Budget Tel-Data	Attn: Steven Santos P.O. Box 19360	Shreveport	LA	71149	Field Services Agreement
Buterbaugh & Hanlin	808 Millington	Winfield	KS	67156	The Agreement: Toshiba Maintained Free for a Lifetime (No. 1988)
Butler County Community	226 W. Central Ave. Suite 310	El Dorado	KS	67042	The Agreement: Toshiba Maintained Free for a Lifetime (No. 1318)
C.T. Godwin	Attn: Chuck Godwin 6187 Fieldstone Circle	Charleston	SC	29414	Field Services Agreement
Cabinets, Etc.	920 E. North St.	Salina	KS	67401	The Agreement: Toshiba Maintained Free for a Lifetime (No. 1704)
Cabling and Wireless Solutions	15423 N. Highway 6	Valley Mills	TX	76689	Field Services Agreement
Caley, Commerford, & Associates	1111 Waters Ave.	Manhattan	KS	66503	The Agreement: Toshiba Maintained Free for a Lifetime (No. 1711)
Campbell & Johnson	113 W. 7th	Concordia	KS	66901	The Agreement: Toshiba Maintained Free for a Lifetime (No. 1850)
Capital Partners, Inc.	Attn: Lease Administration One Independent Drive, Suite 114	Jacksonville	FL	32206	Office Lease (Pine Brook Plaza Building, 9101 Southern Pines Boulevard, Suite 300, Charlotte, NC)
Carolina Business Communications	P.O. Box 819	Walkertown	NC	27051	Field Services Agreement
Center For Independent Living	2601 Central	Dodge City	KS	67801	The Agreement: Toshiba Maintained Free for a Lifetime (No. 2030)
Central KS Mental Health	809 Elmhurst	Salina	KS	67401	The Agreement: Toshiba Maintained Free for a Lifetime (No. 1968)
Central Mississippi Telephone	107 Shadia Drive	Clinton	MS	39056	Field Services Agreement

Birch Telecom, Inc. and Its Subsidiaries
Non-Exclusive Schedule of Rejected Unexpired Leases and Executory Contracts

Non-Debtor Party to Lease/Contract	Address	City	State	Zip	Description
Centrifuge, LLC	Attn: David Soxman 1656 Washington, Suite 200 P.O. Box 105186	Kansas City	MO	64108	Agreement for Consulting Services
ChoicePoint Services, Inc.		Atlanta	GA	30348	Pre-employment drug screening and MVR
City Of Marysville	209 North 8th	Marysville	KS	66508	The Agreement: Toshiba Maintained Free for a Lifetime (No. 1612)
Clay County Hospital	617 Liberty	Clay Center	KS	67432	The Agreement: Toshiba Maintained Free for a Lifetime (No. 3672)
Coldwell Banker Hancock	2300 1st Ave	Dodge City	KS	67801	The Agreement: Toshiba Maintained Free for a Lifetime (No. 1962)
Coldwell Banker	1135 College Dr. Suite E	Garden City	KS	67846	The Agreement: Toshiba Maintained Free for a Lifetime (No. 1703)
Coldwell Bankers	631 E. Crawford	Salina	KS	67401	The Agreement: Toshiba Maintained Free for a Lifetime (No. 1970)
Columbian National Title Ins.	2655 SW Wanamaker	Topeka	KS	66614	The Agreement: Toshiba Maintained Free for a Lifetime (No. 2958); The Agreement: Toshiba Maintained Free for a Lifetime (No. 3547)
Columbian National Title Ins.	5930 SW 29th	Topeka	KS	66601	The Agreement: Toshiba Maintained Free for a Lifetime (No. 3545); The Agreement: Toshiba Maintained Free for a Lifetime (No. 1712)
Communication Power Systems, Inc. (CPSI)	Attn: Carlos Price 22010 E. Martin Dr., Suite E	Porter	TX	77365	Field Service Agreement
Communication Wiring Solutions of Texas, Inc.	Attn: Bill Mayfield 5706 64th St.	Lubbock	TX	79424	Field Services Agreement
Complete Music	301 Plymate Lane	Manhattan	KS	66502	The Agreement: Toshiba Maintained Free for a Lifetime (No. 2016)
Computer Associates International, Inc.	One Computer Associates Plaza	Islandia	NY	11749	Order Form and License Agreement 583379 and any and all others
Corisco Inc.	P.O. Box 177	Dodge City	KS	67801	The Agreement: Toshiba Maintained Free for a Lifetime (No. 1716)
Consolidated Communications Services, Inc.	Attn: Rick Hall 121 S. 17th St.	Mattoon	IL	61938	Standard DMS 250 / DEX 600 Wholesale Directory Assistance Services
Corporate Tower, LLC	c/o Grubb & Ellis 1601 NW Expressway Suite 500	Oklahoma City	OK	73118	Lease Agreement (Switch at 101 N. Robinson, Suite 515, Oklahoma City, OK); and Lease Agreement (offices at 101 N. Robinson, Suite 515, Oklahoma City, OK)
Cowley Co Special Ser	1321 E. 7th	Winfield	KS	67156	The Agreement: Toshiba Maintained Free for a Lifetime (No. 1884)

Birch Telecom, Inc. and Its Subsidiaries

Non-Debtor Party to Lease/Contract	Address	City	State	Zip	Description
CPA Leasing	3185 West Highway 50	Emporia	KS	66801	Leased Trucks (White Dodge Dakotas) VIN Nos: 1D7FL16K34S703799; 1D7FL16K14S870057; 1D7FL16KX4S870056; 1D7FL16K64S703800; 1D7FL16K14S674660; 1D7FL16K84S670055; 1D7FL16K94S696907
Credit Union Of DC	802 W. Trail	Dodge City	KS	67801	The Agreement: Toshiba Maintained Free for a Lifetime (No. 2914)
Credit Union Of Dodge	1200 Frontview	Dodge City	KS	67801	The Agreement: Toshiba Maintained Free for a Lifetime (No. 1772)
CTE	Attn: Buddy Jones 2650 Calder Ave.	Beaumont	TX	77702	Field Services Agreement
Culver Fish Farm	954 Landmark Lane	McPherson	KS	67460	The Agreement: Toshiba Maintained Free for a Lifetime (No. 1723)
Cust-O-Fab	Attn: Mike Hobbs 1900 N. 161st E. Ave	Tulsa	OK	74116	Field Services Agreement
David W. Vranicar	12116 Westgate	Overland Park	KS	66213	Employment Agreement dated January 18, 2003
David E. Scott	73 Janssen Place	Kansas City	MO	64109	Employment Agreement dated January 18, 2003
David M. Hollingsworth	15316 Iron Horse Cir.	Leawood	KS	66224	Employment Agreement dated January 18, 2003
Dean Zortman Public Acct	500 North Main	Fowler	KS	67844	The Agreement: Toshiba Maintained Free for a Lifetime (No. 2936)
Derivion Corporation	Attn: Chief Executive Officer 950 East Places Ferry Road Suite 1750	Atlanta	GA	30326	INETBiller Services Agreement; Amendment to INETBiller Services Agreement and Assignment and Assumption
Dick Edwards Auto Plaza	P.O. Box 289	Junction City	KS	66441	The Agreement: Toshiba Maintained Free for a Lifetime (No. 1707)
Dick Edwards Ford West	P.O. Box 368	Manhattan	KS	66503	The Agreement: Toshiba Maintained Free for a Lifetime (No. 1634)
Dodge City Coop/F&H Ace Hardware	401 W. Trail	Dodge City	KS	67801	The Agreement: Toshiba Maintained Free for a Lifetime (No. 1774)
Dr. Todd Esau, DDS	1716 E. 23rd	Hutchinson	KS	67502	The Agreement: Toshiba Maintained Free for a Lifetime (No. 1721)
Dr. Alan V. Reed, DDS, MSD	920 E. Cloud	Salina	KS	67401	The Agreement: Toshiba Maintained Free for a Lifetime (No. 1844)
Dr. Mark Ensmen	2516 W. 15th Ave.	Emporia	KS	66801	The Agreement: Toshiba Maintained Free for a Lifetime (No. 1886)
Dr. Richard Watson, MD	823 Main	McPherson	KS	67460	The Agreement: Toshiba Maintained Free for a Lifetime (No. 1816)
Dun & Bradstreet	P.O. Box 75434	Chicago	IL	60675	Credit Check Transactions Preferred Pricing Agreement

Birch Telecom, Inc. and Its Subsidiaries
Non-Exclusive Schedule of Rejected Unexpired Leases and Executory Contracts

Non-Debtor Party to Lease/Contract	Address	City	State	Zip	Description
E Cashflow Systems	Attn: Rod Hill 4600 S. Ulster St., Suite 700	Denver	CO	80237	Electronic Check Collection Service Agreement No. KO021019RSN
East Montgomery, LLC	1537 Jean Street	Montgomery	AL	36107	Lease Agreement (411-B Mark Twain Curve, Montgomery, AL)
E-COM	Attn: David Etheridge 6141 Lindholm Dr. South 3100 Anderson	Mobile	AL	36693	Field Service Agreement
Ed Scram Dodge Inc.	1201 W. 6th	Manhattan	KS	66503	The Agreement: Toshiba Maintained Free for a Lifetime (No. 1728)
EK Real Estate	300 Kingsley Street	Emporia	KS	66801	The Agreement: Toshiba Maintained Free for a Lifetime (No. 2918)
Ellsworth Co. Hospital	1602 Aylward Avenue	Ellsworth	KS	67439	The Agreement: Toshiba Maintained Free for a Lifetime (No. 3413)
Ellsworth Co. Hospital	1604 Aylward	Ellsworth	KS	67439	The Agreement: Toshiba Maintained Free for a Lifetime (No. 3415)
Ellsworth County Hospital	10005 Technology Blvd. West Suite 151	Ellsworth	KS	67439	The Agreement: Toshiba Maintained Free for a Lifetime (No. 3420)
Emerson Management Company	Attn: Kevin Burton 1880 General George Patton Dr. Suite 104	Dallas	TX	75220	Lease Agreement (2621 Ridgepoint Dr., Suite 210, Austin, TX)
EMG Communications	817 Merchant St.	Franklin	TN	37067	Field Services Agreement
Emporia Gazette	12th & Industrial	Emporia	KS	66801	The Agreement: Toshiba Maintained Free for a Lifetime (No. 2235)
Emporia State Bank	801 Merchant St.	Emporia	KS	66801	The Agreement: Toshiba Maintained Free for a Lifetime (No. 2900)
Emporia State Bank	2935 W. 6th Ave.	Emporia	KS	66801	The Agreement: Toshiba Maintained Free for a Lifetime (No. 1950)
Emporia Truck & Trailer	c/o Transwestern Commercial Services 1900 West Loop South Suite 1300	Emporia	KS	66801	The Agreement: Toshiba Maintained Free for a Lifetime (No. 1804)
Endowment & Foundation Realty, LTD. - JMP-IV	Attn: Norman R. Wentworth 5741 Rio Vista Dr.	Houston	TX	77027	Lease Agreement (3615 Willowbend, Suite 414, Houston, TX)
Equant, Inc.	8516 NW Expressway	Cleaverwater	FL	33760	Agreement for Equant Maintenance Services: Amendment to Agreement for Equant Maintenance Services
Express Personnel Services Carrollton Warehouse Staff	1407 Broughton Road	Oklahoma City	OK	73162	Employee Placement and Recruiting Services
Fab Center Sales	1811 E. Mary, Suite B	Clay Center	KS	67432	The Agreement: Toshiba Maintained Free for a Lifetime (No. 2928)
Farm Bureau Service	605 Baptiste	Garden City	KS	67846	The Agreement: Toshiba Maintained Free for a Lifetime (No. 1910)
Farmers Insurance Group	2320 Planet Avenue	Paola	KS	66071	The Agreement: Toshiba Maintained Free for a Lifetime (No. 2026)
Fast Focus		Salina	KS	67401	The Agreement: Toshiba Maintained Free for a Lifetime (No. 1876)

Birch Telecom, Inc. and its Subsidiaries
Non-Exclusive Schedule of Rejected Unexpired Leases and Executory Contracts

Non-Debtor Party to Lease/Contract	Address	City	State	Zip	Description
Fidelity State Bank-Walmart	1905 N. 14th	Dodge City	KS	67801	The Agreement: Toshiba Maintained Free for a Lifetime (No. 2910)
Finney County Extension	P.O. Box 478	Garden City	KS	67846	The Agreement: Toshiba Maintained Free for a Lifetime (No. 1842)
First Choice	5501 Greenview Ct.	Fort Worth	TX	76148	Field Services Agreement
First Church Of Nazarene	2931 West 24th	Emporia	KS	66801	The Agreement: Toshiba Maintained Free for a Lifetime (No. 1998)
First National Bank & Trust Co.	102 W. 6th St.	Larned	KS	67550	The Agreement: Toshiba Maintained Free for a Lifetime (No. 1768)
First Nat'l Bank of Holcomb	401 N. Henderson	Holcomb	KS	67851	The Agreement: Toshiba Maintained Free for a Lifetime (No. 2924)
Flint Hills Breadbasket	905 Yuma	Manhattan	KS	66502	The Agreement: Toshiba Maintained Free for a Lifetime (No. 1776)
Flint Hills One Stop Inc.	P.O. Box 383	Strong City	KS	66869	The Agreement: Toshiba Maintained Free for a Lifetime (No. 1940)
Flinthill's Internet	1344 Westloop Plaza	Manhattan	KS	66502	The Agreement: Toshiba Maintained Free for a Lifetime (No. 1860)
Folkerson Communications LTD	Attn: Greg Folkerson 400 Nola Ruth Blvd.	Harker Heights	TX	76548	Field Services Agreement
Ford Telecom	Attn: Adnan Ford 13061 Sarbourne North	Olive Branch	MS	38654	Field Services Agreement
Franklin County Mental Health Clinic, Inc.	204 E. 15th St.	Ottawa	KS	66067	The Agreement: Toshiba Maintained Free for a Lifetime (No. 1727)
Frye Chevrolet, Inc.	603 W. Seventh	Augusta	KS	67010	The Agreement: Toshiba Maintained Free for a Lifetime (No. 2978)
FXI Corporation	16538 Air Center Blvd.	Houston	TX	77032-5103	Field Services Agreement
Garden City Chamber	1511 E. Fulton Terrace	Garden City	KS	67846	The Agreement: Toshiba Maintained Free for a Lifetime (No. 1984)
Garden City Telegram	310 N. 7th	Garden City	KS	67846	The Agreement: Toshiba Maintained Free for a Lifetime (No. 2335)
Garrison Agency	117 East Lincoln	Lincoln	KS	67455	The Agreement: Toshiba Maintained Free for a Lifetime (No. 1794)
Glass Services	161 S. Broadway	Salina	KS	67401	The Agreement: Toshiba Maintained Free for a Lifetime (No. 2034)
Glendo Corp	900 Overlander	Emporia	KS	66801	The Agreement: Toshiba Maintained Free for a Lifetime (No. 1956)
Golden Plains Credit Main Sit	1714 E. Kansas Ave.	Garden City	KS	67846	The Agreement: Toshiba Maintained Free for a Lifetime (No. 1964)
Golden Plains Credit Union	21 Medical Drive	Liberal	KS	67901	The Agreement: Toshiba Maintained Free for a Lifetime (No. 2954)
Good Vibrations	1207 E. 30th	Hutchinson	KS	67502	The Agreement: Toshiba Maintained Free for a Lifetime (No. 1722)
Goodland Machine & Automotive	419 E. 19th	Goodland	KS	67735	The Agreement: Toshiba Maintained Free for a Lifetime (No. 1630)
Great Plains Christian Radio	909 West Carthage	Meade	KS	67864	The Agreement: Toshiba Maintained Free for a Lifetime (No. 2950)

Birch Telecom, Inc. and its Subsidiaries
Non-Exclusive Schedule of Rejected Unexpired Leases and Executory Contracts

Non-Debtor Party to Lease/Contract	Address	City	State	Zip	Description
Gulf Coast Telco	Attn: Randy Nix 26210B Equity Drive	Daphne	AL	36526	Field Services Agreement
Gullickson Tire Inc.	16 West Avenue A	Hutchinson	KS	67501	The Agreement: Toshiba Maintained Free for a Lifetime (No. 1646)
Gwyn Riffel	1109 Hylton Heights Road	Manhattan	KS	66502	The Agreement: Toshiba Maintained Free for a Lifetime (No. 2022)
Hair Affaire	808 East Crawford	Salina	KS	67401	The Agreement: Toshiba Maintained Free for a Lifetime (No. 1632); The Agreement: Toshiba Maintained Free for a Lifetime (No. 1882)
Hair Phenailia	1311 S. Santa Fe	Salina	KS	67401	The Agreement: Toshiba Maintained Free for a Lifetime (No. 1713)
Harder AG Products, Inc.	Rural Route 2 P.O. Box 125	Peabody	KS	66866	The Agreement: Toshiba Maintained Free for a Lifetime (No. 1709)
Harvey County Courthouse	P.O. Box 231	Newton	KS	67114	The Agreement: Toshiba Maintained Free for a Lifetime (No. 1992)
Hawley Printing	1668 Hays	Manhattan	KS	66502	The Agreement: Toshiba Maintained Free for a Lifetime (No. 1717)
Heartland Comm. Bankers	700 S. Kansas Ave. Suite 512	Topeka	KS	66603	The Agreement: Toshiba Maintained Free for a Lifetime (No. 1320)
Heartland Veterinary	1120 West Kansas Ave.	Mcpherson	KS	67460	The Agreement: Toshiba Maintained Free for a Lifetime (No. 1642)
Heath & Bloxom	13 E. 6th Ave.	Emporia	KS	66801	The Agreement: Toshiba Maintained Free for a Lifetime (No. 1702)
Hedlund Electric Inc.	1201 South Main	Mcpherson	KS	67460	The Agreement: Toshiba Maintained Free for a Lifetime (No. 1724)
Hillisboro Ford	202 S. Main	Hillisboro	KS	67063	The Agreement: Toshiba Maintained Free for a Lifetime (No. 2421)
Hospice Of Salina Inc.	P.O. Box 2238	Salina	KS	67402	The Agreement: Toshiba Maintained Free for a Lifetime (No. 1920)
Independent Salt	1126 20th Road	Kanopolis	KS	67454	The Agreement: Toshiba Maintained Free for a Lifetime (No. 2948)
Indian Hills Animal Clinic	3223 West 13th	Wichita	KS	67203	The Agreement: Toshiba Maintained Free for a Lifetime (No. 2960); The Agreement: Toshiba Maintained Free for a Lifetime (No. 2962)
Infinitech Surface Finish	4420 W. 29th Circle S.	Wichita	KS	67215	The Agreement: Toshiba Maintained Free for a Lifetime (No. 2904)
Internal Medicine	1301 W. 12th St.	Emporia	KS	66801	The Agreement: Toshiba Maintained Free for a Lifetime (No. 1946)
International Business Machines Corporation (IBM)	Attn: David A. Brown 1177 Beltline Rd.	Coppell	TX	75019	Agreement for Services Acquired from an IBM Business Partner; Statement of Work for Services, and Schedule for Services
International Communications Diversified	Attn: Quito Rayas 817 E. Missouri, Suite A	El Paso	TX	79902	Field Service Agreement

Birch Telecom, Inc. and its Subsidiaries
Non-Exclusive Schedule of Rejected Unexpired Leases and Executory Contracts

Non-Debtor Party to Lease/Contract	Address	City	State	Zip	Description
International Networks Inc.	Attn: President 324 E. 11th St., Suite 1630	Kansas City	MO	64106	Consulting Agreement - Jason T. White, John Houston and J.J. Jacobs
Inter-Tel Integrated Systems	13704 Fontana Ln.	Leawood	KS	66224	Field Service Agreement
Its Greek To Me	520 McCall Rd. P.O. Box 8	Manhattan	KS	66502	The Agreement: Toshiba Maintained Free for a Lifetime (No. 1738)
Jack Henry & Associates aka Sys-Tech	Attn: Mike Potts 663 W. Hwy. 60	Monett	MO	65708	Batteries, Sys-Tech Battery PM's and Powerware ProActive Service
Jay Vandervelde Att	401 Bank IV Building	Emporia	KS	66801	The Agreement: Toshiba Maintained Free for a Lifetime (No. 1810)
Jim Schroeders Software	2111 West Wyatt Earp	Dodge City	KS	67801	The Agreement: Toshiba Maintained Free for a Lifetime (No. 1503)
Jody Kramer	15227 W. 84th	Lenexa	KS	66219	Management Agreement dated June 19, 2003
John Jones Financial	157 W. 7th	Salina	KS	67402	The Agreement: Toshiba Maintained Free for a Lifetime (No. 1818)
John O. Farmer	P.O. Box 362	Russell	KS	67665	The Agreement: Toshiba Maintained Free for a Lifetime (No. 1512)
John Toomey & Co.	1110 Montlamar Drive, Suite 830	Mobile	AL	36609	Office Lease (Montlamar Place, 1110 Montlamar Drive, Suite 1055, Mobile, AL)
Johns Motor Service	121 E. Sutherland	Mcpherson	KS	67460	The Agreement: Toshiba Maintained Free for a Lifetime (No. 1942)
Jorge M. Sturich, MD	3000 East 9th	Winfield	KS	67156	The Agreement: Toshiba Maintained Free for a Lifetime (No. 1628)
Junction City	700 N. Jefferson	Junction City	KS	66441	The Agreement: Toshiba Maintained Free for a Lifetime (No. 1746)
Junction City Fire Dept.	700 N. Jefferson	Junction City	KS	66441	The Agreement: Toshiba Maintained Free for a Lifetime (No. 1734)
Junction City Public Works	2324 N. Jackson	Junction City	KS	66441	The Agreement: Toshiba Maintained Free for a Lifetime (No. 2964)
Kan Pak LLC	1016 S. Summit	Arkansas City	KS	67005	The Agreement: Toshiba Maintained Free for a Lifetime (No. 3274)
Kansas Cardiac Clinic	1144 North Saint Francis St.	Wichita	KS	67214	The Agreement: Toshiba Maintained Free for a Lifetime (No. 2970)
Kansas Motor Freight	700 Overlander	Emporia	KS	66801	The Agreement: Toshiba Maintained Free for a Lifetime (No. 1958)
Keith L. Anderson d/b/a Northrock Business Park	c/o Anderson Management Company 1125 S. Rock Road, Suite 10	Wichita	KS	67211	Lease Agreement (Northrock Business Park, 8201 E. 34th St., Cir. N., Suite 807-810, Wichita, KS)
Keith L. Anderson d/b/a Northrock Business Park	3450 N. Rock Road Building #200 Suite #201	Wichita	KS	67226-1352	Standard Commercial Multi-Tenant Lease (Northrock Business Park, 3450 N. Rock Road, Building #100, Suite 114, Wichita, KS)
Kenneth L. Cooper Jr., CPA	123 West Harvey	Wellington	KS	67152	The Agreement: Toshiba Maintained Free for a Lifetime (No. 3106); The Agreement: Toshiba Maintained Free for a Lifetime (No. 1718)

Birch Telecom, Inc. and Its Subsidiaries
Non-Exclusive Schedule of Rejected Unexpired Leases and Executory Contracts

Non-Debtor Party to Lease/Contract	Address	City	State	Zip	Description
Kevin Kleman	10220 Brixton Place	Swanee	GA	30024	Agreement dated October 28, 2002
Kirk & Cobb	2810 Gage	Topeka	KS	66614	The Agreement: Toshiba Maintained Free for a Lifetime (No. 3650)
Knowles Kountry	145 N. Ohio	Salina	KS	67401	The Agreement: Toshiba Maintained Free for a Lifetime (No. 1822)
KPTS Channel 8	320 West 21st	Wichita	KS	67203	The Agreement: Toshiba Maintained Free for a Lifetime (No. 1732)
KSU Federal Credit Union	P.O. Box 1343	Manhattan	KS	66502	The Agreement: Toshiba Maintained Free for a Lifetime (No. 1930)
Lan Com Technologies	7993 Pelham Rd.	Greenville	SC	29615	Field Service Agreement
Lan man Systems	Attn: Nick Mundy 2005 Georgetown Rd.	Cleveland	TN	37311	Field Service Agreement
Land Title Services Inc.	P.O. Box 922	Salina	KS	67402	The Agreement: Toshiba Maintained Free for a Lifetime (No. 1720)
Landmark Fed Savings Bank	2500 North 14th	Dodge City	KS	67801	The Agreement: Toshiba Maintained Free for a Lifetime (No. 1706)
Landmark Federal Savings	P.O. Box 1437	Dodge City	KS	67801	The Agreement: Toshiba Maintained Free for a Lifetime (No. 2940)
Lenox Park Building D Partners	Attn: c/o Clark & Clark 6745 Lenox Center Court, Suite 100	Memphis	TN	38119	Lease Agreement (Lenox Park Building D, Suite 117, 6750 Lenox Center Court, Memphis, TN)
Level 3 Communications, LLC	1026 Eldorado Blvd.	Broomfield	CO	80021	Online Customer Service Center Agreement
Lexinet Corporation	701 N. Union	Council Grove	KS	66846	The Agreement: Toshiba Maintained Free for a Lifetime (No. 1976)
Lynne D. Sangimino	967 Cavendish Trail	Olathe	KS	66061	Management Agreement dated June 19, 2003
Lyon County State Bank	902 Merchant St.	Emporia	KS	66801	The Agreement: Toshiba Maintained Free for a Lifetime (No. 1701)
M & S Plumbing, Heating & AC	1101 Hostettler Drive	Manhattan	KS	66502	The Agreement: Toshiba Maintained Free for a Lifetime (No. 1622)
Madden Oil Company	P.O. Box 148	Liberal	KS	67901	The Agreement: Toshiba Maintained Free for a Lifetime (No. 1936)
Magic Focus	610 State St.	Augusta	KS	67010	The Agreement: Toshiba Maintained Free for a Lifetime (No. 1908)
Mail And More	1811 W. Wyatt Earp	Dodge City	KS	67801	The Agreement: Toshiba Maintained Free for a Lifetime (No. 1710)
Mail Print, Inc.	8300 N.E. Underground Drive #122	Kansas City	MO	64161	Pay/Transaction Print Vendor
Manhattan Christian College	1415 Anderson	Manhattan	KS	66502	The Agreement: Toshiba Maintained Free for a Lifetime (No. 1832); The Agreement: Toshiba Maintained Free for a Lifetime (No. 1832)
Manhattan Commission Company	8424 E. Hwy. 24	Manhattan	KS	66502	The Agreement: Toshiba Maintained Free for a Lifetime (No. 2938)
Manhattan Wrecker Service	1300 Kreischmer	Manhattan	KS	66502	The Agreement: Toshiba Maintained Free for a Lifetime (No. 1896)

Birch Telecom, Inc. and Its Subsidiaries
Non-Exclusive Schedule of Rejected Unexpired Leases and Executory Contracts

Non-Debtor Party to Lease/Contract	Address	City	State	Zip	Description
Maupins Truck Parts	P.O. Box 490	Dodge City	KS	67801	The Agreement: Toshiba Maintained Free for a Lifetime (No. 1310)
Moginty Machine Co Inc.	222 N. Hydraulic	Wichita	KS	67219	The Agreement: Toshiba Maintained Free for a Lifetime (No. 1952)
McGregor Interests Freeway, LLC	11236 Davenport Street	Omaha	NE	68154-2628	Lease Agreement (1950 Foxndge Drive, Kansas City, KS)
Montire Welding	2231 Centennial Road	Salina	KS	67401	The Agreement: Toshiba Maintained Free for a Lifetime (No. 2004)
Medical Heights Dental	100 Ross Blvd. Building 2C	Dodge City	KS	67801	The Agreement: Toshiba Maintained Free for a Lifetime (No. 1626)
Metavante Corporation	4900 W Brown Deer Rd.	Brown Deer	WI	53223	EPP Biller Service Provider Business to Consumer Services Agreement
Micro Communications	1810 Sweet View Way	Knoxville	TN	37931	Field Service Agreement
Mid America Piano Sales	406 Poyntz	Manhattan	KS	66502	The Agreement: Toshiba Maintained Free for a Lifetime (No. 2010)
Midland Marketing Coop	East Hwy. 18	Plainville	KS	67663	The Agreement: Toshiba Maintained Free for a Lifetime (No. 2912)
Midland Marketing Coop	219 East 9th	Hays	KS	67601	The Agreement: Toshiba Maintained Free for a Lifetime (No. 2980)
Mike Groves Oil Inc.	P.O. Box 735	Arkansas City	KS	67005	The Agreement: Toshiba Maintained Free for a Lifetime (No. 1762)
Missouri Network Alliance, LLC	Attn: Chief Operating Officer 9200 Ward Parkway, Suite 601	Kansas City	MO	64114	Master Service Agreement
Montgomery Publications	P.O. Box 129	Junction City	KS	66441	The Agreement: Toshiba Maintained Free for a Lifetime (No. 1742)
Mortgage Company	155 North 7th	Salina	KS	67401	The Agreement: Toshiba Maintained Free for a Lifetime (No. 2024)
Muckenthaler Inc.	306 Commercial	Emporia	KS	66801	The Agreement: Toshiba Maintained Free for a Lifetime (No. 1768)
Navral's	728 Mechanic	Emporia	KS	66801	The Agreement: Toshiba Maintained Free for a Lifetime (No. 1700)
NEC Unified Solutions, Inc.	Attn: Larry Levenberg 6555 N. Slate Highway 161	Irving	TX	75039-2402	GSA Reseller Agreement
Network Dynamics	640 Brooker Creek Blvd., Suite 410	Oldsmar	FL	34677	Field Service Agreement
New Direction Communications	Attn: Jerry Jones 255 Smoke Rise Trail	Warrior	AL	35180	Field Service Agreement
Next Tech	P.O. Box 158	Lenora	KS	67645	Field Service Agreement
Nextel	P.O. Box 4181	Carol Stream	IL	60197	Wireless Telephone Services
Nicholson Adventure	11089 Whirlwind Road	Dodge City	KS	67801	The Agreement: Toshiba Maintained Free for a Lifetime (No. 3497)
Noah & Hamson P A	119 South Mill	Beloit	KS	67420	The Agreement: Toshiba Maintained Free for a Lifetime (No. 1906)
Nobel Systems	3013 NW 59th St	Oklahoma City	OK	73118	Field Service Agreement
Nortel Networks, Inc.	3985 Collection Center Drive	Chicago	IL	60683	Telephone equipment, key systems and PBX's

Birch Telecom, Inc. and its Subsidiaries
Non-Exclusive Schedule of Rejected Unexpired Leases and Executory Contracts

Non-Debtor Party to Lease/Contract	Address	City	State	Zip	Description
North Central Kansas	219 W. 7th	Concordia	KS	66901	The Agreement: Toshiba Maintained Free for a Lifetime (No. 1874)
Northwest Distributors	1005 Canterbury	Hays	KS	67601	The Agreement: Toshiba Maintained Free for a Lifetime (No. 1916)
OB Gyn Assoc. of SW Kansas	P.O. Box 2529	Liberal	KS	67905	The Agreement: Toshiba Maintained Free for a Lifetime (No. 1314)
Oberg And Malcolm	P.O. Box 92	Clay Center	KS	67432	The Agreement: Toshiba Maintained Free for a Lifetime (No. 1760)
Octel Communications Corporation nka Avaya	Attn: Netcare Messaging Services Division 3410 Midcourt, Suite 115	Carrollton	TX	75006	Messaging Services
OdySoft, Inc.	1111 St. Charles West, Suite 1250	Longueil	PQ, CA	J4K 5G4	Software License Agreement; Software Maintenance Agreement
Paragon Enterprises	2125 Crawford Place	Salina	KS	67401	The Agreement: Toshiba Maintained Free for a Lifetime (No. 1824)
Parman, Tanner, Soule, & Jackson	110 South 1st	Arkansas City	KS	67005	The Agreement: Toshiba Maintained Free for a Lifetime (No. 1513)
Patterson Pharmacy	422 Lincoln	Clay Center	KS	67432	The Agreement: Toshiba Maintained Free for a Lifetime (No. 1705)
Petroleum Club	100 N. Broadway	Wichita	KS	68202	The Agreement: Toshiba Maintained Free for a Lifetime (No. 2020)
Pitney Bowes Credit Corporation	Attn: Recovery Dept. 27 Waterview Drive	Shelton	CT	06484	Copy/Fax Machines (B700); Serial Numbers: 8554009, 8523165, 8647183, 8748888, 8673441, 8615708, 8548979, 8580487, 8519341, 8560499, 8739970, 8554841, & 8667556
Polansky Seed	2729 M St.	Belleville	KS	66935	The Agreement: Toshiba Maintained Free for a Lifetime (No. 1644)
Presbytery Of N Kansas	1823A South Ohio	Salina	KS	67401	The Agreement: Toshiba Maintained Free for a Lifetime (No. 1828)
Professional Data Svc. Inc.	P.O. Box 2044	Hutchinson	KS	67501	The Agreement: Toshiba Maintained Free for a Lifetime (No. 1740)
Professional Photographic Svcs.	527 Roosevelt Avenue	Beloit	KS	67420	The Agreement: Toshiba Maintained Free for a Lifetime (No. 2946)
ProStaff	P.O. Box 200227	Dallas	TX	75320-0227	Employee Placement
Quality Water Services	3122 N. Summit	Arkansas City	KS	67005	The Agreement: Toshiba Maintained Free for a Lifetime (No. 1932)
RANS Inc.	4600 Hwy. 183 Alternate	Hays	KS	67601	The Agreement: Toshiba Maintained Free for a Lifetime (No. 1312)
Ray Omo Inc.	309 E. Trail St.	Dodge City	KS	67801	The Agreement: Toshiba Maintained Free for a Lifetime (No. 1888)
RCIL	1137 Laing	Osage City	KS	66623	The Agreement: Toshiba Maintained Free for a Lifetime (No. 2934); The Agreement: Toshiba Maintained Free for a Lifetime (No. 2944)

Birch Telecom, Inc. and its Subsidiaries
Non-Exclusive Schedule of Rejected Unexpired Leases and Executory Contracts

Non-Debtor Party to Lease/Contract	Address	City	State	Zip	Description
Real Estate Professionals-DC	1206 Frontview, Suite 202	Dodge City	KS	67801	The Agreement: Toshiba Maintained Free for a Lifetime (No. 2008)
Recruitsoft.com, Inc.	124 Beale St., Suite 202	San Francisco	CA	94105	Application and Consulting Services Agreement
Remax Realty One	2324 N. Kansas P.O. Box 547	Liberal	KS	67905	The Agreement: Toshiba Maintained Free for a Lifetime (No. 2000)
Republic Recycling	834 Adams	Topeka	KS	64105	The Agreement: Toshiba Maintained Free for a Lifetime (No. 1858)
Rigid Steel Structures	Rt Box 93	Cottonwood Falls	KS	66845	The Agreement: Toshiba Maintained Free for a Lifetime (No. 1744)
Riley Co United Way	106 S. 4th	Manhattan	KS	66502	The Agreement: Toshiba Maintained Free for a Lifetime (No. 1790)
Roman Catholic Diocese	103 N. 9th	Salina	KS	67401	The Agreement: Toshiba Maintained Free for a Lifetime (No. 1316)
Romar	Attn: Roy Young 1530 Dobie	Amarillo	TX	79118	Field Service Agreement
Ronnie Diehl Construction	521 Bishop	Salina	KS	67401	The Agreement: Toshiba Maintained Free for a Lifetime (No. 2002)
Russ Jenkins Insurance	2530 West 15th P.O. Box 808	Emporia	KS	66801	The Agreement: Toshiba Maintained Free for a Lifetime (No. 1996)
Salesnet, Inc.	580 Harrison Ave. Suite 202	Boston	MA	02118	Salesnet, Inc.: ASP Terms of Use Agreement, Professional Services Agreement, Subscription Agreement
Salina Airport Authority	3237 Arnold	Salina	KS	67401	The Agreement: Toshiba Maintained Free for a Lifetime (No. 1616)
Salina Auto Auction	2845 Centennial Rd.	Salina	KS	67401	The Agreement: Toshiba Maintained Free for a Lifetime (No. 1934)
Salina Blueprint	208 S. Santa Fe	Salina	KS	67401	The Agreement: Toshiba Maintained Free for a Lifetime (No. 1812)
Salina Clinic	Santa Fe Medical Plaza	Salina	KS	67401	The Agreement: Toshiba Maintained Free for a Lifetime (No. 1982)
Salina Spring Co	672 S Broadway	Salina	KS	67401	The Agreement: Toshiba Maintained Free for a Lifetime (No. 1846)
Sauder Alumni Center	1500 Highland St.	Emporia	KS	66801	The Agreement: Toshiba Maintained Free for a Lifetime (No. 1764)
SBP Nashville, LLC	Attn: c/o Harbor Group Management Co. 999 Waterside Drive, Suite 2300	Norfolk	VA	23510	Lease Agreement (Natchez Building, Suite 250, 216 Centerview Drive, Brentwood, TN)
Scharenberg Chiropractic	122 S. Main	Hillsboro	KS	67063	The Agreement: Toshiba Maintained Free for a Lifetime (No. 1802)
Schmidt Builders Supply	721 N. Kansas Ave.	Topeka	KS	66608	The Agreement: Toshiba Maintained Free for a Lifetime (No. 1986)
Schurle Signs Inc.	Box 186	Riley	KS	66531	The Agreement: Toshiba Maintained Free for a Lifetime (No. 1924)
Scientific Engineering	2782 Arnold	Salina	KS	67401	The Agreement: Toshiba Maintained Free for a Lifetime (No. 1640)

Birch Telecom, Inc. and Its Subsidiaries
Non-Exclusive Schedule of Rejected Unexpired Leases and Executory Contracts

Non-Debtor Party to Lease/Contract	Address	City	State	Zip	Description
SDSI	1808 Palace Drive, Suite C	Garden City	KS	67846	The Agreement: Toshiba Maintained Free for a Lifetime (No. 2259)
Sean F. Pyle	13709 Granada Dr.	Leawood	KS	66224-3001	Employment Agreement dated January 18, 2003
Seward Co. Council On Aging	P.O. Box 376	Liberal	KS	67901	The Agreement: Toshiba Maintained Free for a Lifetime (No. 1898)
Sharp, McQueen, McKinney	419 N. Kansas	Liberal	KS	67901	The Agreement: Toshiba Maintained Free for a Lifetime (No. 2922)
Signal Technologies	Attn: Richard Hinkle 740 Congaree	Greenville	SC	29607	Field Service Agreement
Smith & Oakes Engineers	107 N. Summit	Arkansas City	KS	67005	The Agreement: Toshiba Maintained Free for a Lifetime (No. 1928)
Solomon State Bank	501 North Cedar Street	Abilene	KS	67410	The Agreement: Toshiba Maintained Free for a Lifetime (No. 2902)
South Dakota Networks, LLC	Attn: Cara Walker 2900 West 10th St.	Sioux Falls	SD	57104	Agreement for Services: Third Amendment to Agreement for Services
Southern Office Supply Inc.	417 North Kansas	Liberal	KS	67901	The Agreement: Toshiba Maintained Free for a Lifetime (No. 2956)
Southview Veterinary	1423 S US Hwy. Bypass	McPherson	KS	67460	The Agreement: Toshiba Maintained Free for a Lifetime (No. 1852)
Southwest Financial Svcs.	P.O. Box 848	Dodge City	KS	67801	The Agreement: Toshiba Maintained Free for a Lifetime (No. 1636)
Sprint Communications Company, L.P.	Attn: Bill Cheek 6220 Sprint Parkway	Overland Park	KS	66251	First Amendment to Sprint Wholesale Data & Private Line Agreement
Sprint Communications Company, L.P.	Attn: Vice President Wholesale Services 12502 Sunrise Valley Dr.	Reston	VA	20191-3438	Wholesale Solutions Switched Services Agreement: Data & Private Line Resale
Sprint Communications Company, L.P.	Attn: Law Dept. Marketing & Sales (Business) 6391 Sprint Parkway	Overland Park	KS	66251	First Amendment to Wholesale Solutions Switched Services Agreement
Sprint Communications Company, L.P.	Attn: V.P. Carrier Sales 3100 Cumberland Circle	Atlanta	GA	30339	Interstate and International Carrier Transport Switch Services Agreement
Sprint Communications Company, L.P.	Attn: Ms. Kathy Fulton Field Services Manager 5454 West 110th St.	Overland Park	KS	66211	Master Resale Agreement
Sprint Communications Company, L.P.	Attn: Vice President Wholesale Services 2002 Edmund Halley Dr.	Reston	VA	20191-3436	Sprint Wholesale Services Data & Private Line Agreement
Steven D. Faulkner	13008 Granada Rd.	Leawood	KS	66209	Employment Agreement dated January 18, 2003
St. Mary's Church	106 East 8th	Newton	KS	67114	The Agreement: Toshiba Maintained Free for a Lifetime (No. 1620)
Sunset Properties Inc.	P.O. Box 286	Salina	KS	67402	The Agreement: Toshiba Maintained Free for a Lifetime (No. 1878)
Surplus Real Estate, LLC	Attn: L. Blaine McLellan 6299 Nail Ave., Suite 350	Mission	KS	66202	Representation Agreement, First Amendment of Representation Agreement

Birch Telecom, Inc. and Its Subsidiaries
Non-Exclusive Schedule of Rejected Unexpired Leases and Executory Contracts

Non-Debtor Party to Lease/Contract	Address	City	State	Zip	Description
SW Kansas Area On Aging	240 San Jose	Dodge City	KS	67801	The Agreement: Toshiba Maintained Free for a Lifetime (No. 2942)
Sys-Tech, Inc.	23001 West 81st St.	Shawnee	KS	66227-2619	Sys-Tech Master Services Agreement
TCR Communications	Attn: Dustin Resendes 1416 Houston St.	Laredo	TX	78040	Field Service Agreement
Technographics	P.O. Box 453	Moperson	KS	67460	The Agreement: Toshiba Maintained Free for a Lifetime (No. 1758)
Teleco of Augusta	Attn: Mike Stierwall 149 A. Davis Rd.	Augusta	GA	30907	Field Service Agreement
Teleco of Springfield	16000 Briarwood Dr.	Crocker	MO	65452	Field Service Agreement
Tele-Interpreters On Call	Attn: Rick Stockton 500 North Brand Blvd., Suite 1850	Glendale	CA	91203	Interpreter Services Agreement Nos. NA2004003104 & KC041013RSN
Telephone Solutions of Alabama, LLC	P.O. Box 680147	Prattville	AL	36068	Field Service Agreement
TeleSystem 47	112 Loraine South, Suite 100	Midland	TX	75034	Field Service Agreement
Tellabs Operations, Inc.	Attn: General Counsel 1415 West Diehl Road	Naperville	IL	60563	Amendment to Support Services Agreement (1/1/2003); Amendment to Support Services Agreement (12/2002)
Telegical Systems, LLC	6756 Old McLean Village Drive	McLean	VA	22101	Project #02192004-CM-E: Subscription to Business CPM with Document View Service
Terra International	1779 Road G	Emporia	KS	66801	The Agreement: Toshiba Maintained Free for a Lifetime (No. 1800)
The Arnold Group - Olsten Staffing	P.O. Box 502885	St. Louis	MO	63150	Employee Placement and Recruiting Services
The Atrium Partnership	1225 Weisgarber Road South Suite 390	Knoxville	TN	37909	Lease Agreement (The Atrium, Suite South 370, 1225 Weisgarber Road, Knoxville, TN)
The Emporia Gazette	517 Merchant	Emporia	KS	66801	The Agreement: Toshiba Maintained Free for a Lifetime (No. 1960)
The Emporium	1833 S. 9th	Salina	KS	67401	The Agreement: Toshiba Maintained Free for a Lifetime (No. 1792)
The Fone Man	6446 Ford Road	Flowery Branch	GA	30542	Field Service Agreement
The Lighthouse Inc.	112 S. Santa Fe	Salina	KS	67401	The Agreement: Toshiba Maintained Free for a Lifetime (No. 1754)
The Regency Management/	8931 Quail Lane, Suite 301	Manhattan	KS	66502	The Agreement: Toshiba Maintained Free for a Lifetime (No. 1918)
The Telephone Man	Attn: David Wilson 887 North Confederate Dr.	Macon	GA	31220	Field Service Agreement
Thermal Comfort Air Inc.	705 A Pecan Circle	Manhattan	KS	66502	The Agreement: Toshiba Maintained Free for a Lifetime (No. 2930)
Todd Welsh	221 South Morris Dr.	Salina	KS	67401	The Agreement: Toshiba Maintained Free for a Lifetime (No. 1880)
Toshiba America Information Systems, Inc.	Attn: Telecommunication Systems Division 9740 Irving Blvd.	Irvine	CA	92618-1697	Telecommunication Dealer Agreement
Towanda Printing	318 Main	Towanda	KS	67144	The Agreement: Toshiba Maintained Free for a Lifetime (No. 1624)

Birch Telecom, Inc. and Its Subsidiaries
Non-Exclusive Schedule of Rejected Unexpired Leases and Executory Contracts

Non-Debtor Party to Lease/Contract	Address	City	State	Zip	Description
Town & Country Animal	1001 Schippel Dr.	Salina	KS	67401	The Agreement: Toshiba Maintained Free for a Lifetime (No. 1862)
Trans Union Corporation	Attn: Mike Stewart 8621 E. 21st St. N	Wichita	KS	67206	Online Service Agreement; Amendment to Subscriber Service Agreement; Telescope Online Agreement; Agreement for TRACE, ReTRACE and IDSearch; Agreement for Pre-Employment Evaluation Reports (PEER)
Trent C. Freeman	Attn: Trent Freeman 612 S. Flower St., Apt 903 676 Westport Blvd.	Los Angeles	CA	90017	Professional Services Agreement
Triplet Inc.		Salina	KS	67401	The Agreement: Toshiba Maintained Free for a Lifetime (No. 2032)
Triplet Inc.	2230 North 9th	Salina	KS	67401	The Agreement: Toshiba Maintained Free for a Lifetime (No. 2932)
Triplet Rental	440 N. Ohio	Salina	KS	67401	The Agreement: Toshiba Maintained Free for a Lifetime (No. 2120)
Twelfth Avenue Baptist	2023 W. 12th Ave.	Emporia	KS	66801	The Agreement: Toshiba Maintained Free for a Lifetime (No. 1808)
TWG Consulting, Inc.	Attn: Renee Shelton 15100 W. 67th St., Suite 200 P.O. Box 1723	Shawnee	KS	66217	Master Professional Service Agreement
Twin Oaks Industries, Inc.		Salina	KS	67401	The Agreement: Toshiba Maintained Free for a Lifetime (No. 1708)
Unipoint Holdings, Inc.	Attn: Contract Administrator 6500 River Place Blvd. Building 2, Suite 200	Austin	TX	78730	Master Service Agreement
United Communications Group Limited Partnership	P.O. Box 90608	Washington	KS	66968	User Agreement
Universal Phone Systems	Attn: Scott Penninger 6829 Statesville Rd. P.O. Box 26641	Charlotte	NC	28269	Field Service Agreement
Universal Voice/Data, Inc.		Charlotte	NC	28221	Field Services Agreement
USD 306/SE of Salina	5056 East K4 Hwy.	Gypsum	KS	67448	The Agreement: Toshiba Maintained Free for a Lifetime (No. 1511)
USD# 389 Eureka	216 N. Main	Eureka	KS	67045	The Agreement: Toshiba Maintained Free for a Lifetime (No. 2014)
USD# 400 High School	1 Viking Blvd.	Lindsborg	KS	67456	The Agreement: Toshiba Maintained Free for a Lifetime (No. 1748)
USD# 225	P.O. Box 170	Fowler	KS	67844	The Agreement: Toshiba Maintained Free for a Lifetime (No. 1938)
USD# 225 High School	100 West 8th	Fowler	KS	67844	The Agreement: Toshiba Maintained Free for a Lifetime (No. 1638)
USD# 243 Administration	P.O. Box 457	Waverly	KS	66871	The Agreement: Toshiba Maintained Free for a Lifetime (Nos. 1784, 1902)
USD# 400 Lindsborg Middle School	401 N. Cedar	Lindsborg	KS	67456	The Agreement: Toshiba Maintained Free for a Lifetime (No. 2966)
USD# 457/Transportation	139 Cloverleaf	Garden City	KS	67846	The Agreement: Toshiba Maintained Free for a Lifetime (No. 1306)

Birch Telecom, Inc. and its Subsidiaries
Non-Exclusive Schedule of Rejected Unexpired Leases and Executory Contracts

Non-Debtor Party to Lease/Contract	Address	City	State	Zip	Description
USD# 490 Bus Barn Main Site	1518 W. 6th	El Dorado	KS	67042	The Agreement: Toshiba Maintained Free for a Lifetime (Nos. 1890, 1892, 1894)
Valor Telecommunications	Attn: Industry Relations 201 E John Carpenter Freeway Las Colinas Tower 7 Suite 200	Irving	TX	75062	251/252 Agreement for Resale
Valu Broadcasting	1420 C of E Dr.	Emporia	KS	66801	The Agreement: Toshiba Maintained Free for a Lifetime (No. 1780)
Valu-Broadcasting, Inc.	Attn: President 1420 C of E Dr.	Emporia	KS	66801	Lease Agreement (1420 C of E Drive, Emporia, KS)
Verilink Corporation	Attn: Wayne Shackelford 127 Jetplex Circle	Madison	AL	35758	Supply Agreement; Amendment to Supply Agreement
Verizon LEC	Attn: John Pricken 1095 Avenue of the Arts	New York	NY	10022	Interconnection Agreement
Veronis Suhler Stevenson PTNS	Attn: Kevin Waldman 350 Park Avenue	New York	NY	10022	Corporate Commitment; Expenses
Virgo Publishing, Inc.	Attn: General Counsel 3300 North Central Ave. Suite 300	Phoenix	AZ	85012	Advertising Agreements; Trade Show Advertising Agreement
Vision Consulting, Inc.	Attn: Michael O'Malley 17739 Garnett St.	Olathe	KS	66062	Service Agreement
Vitec, Inc.	13257 W. 98th St.	Lenexa	KS	66215	Purchase Agreement
Vocalog, LLC	Attn: Larry Leikin 6904 Old Gate Lane	Rockville	MD	20852	Master Professional Services Agreement
Wacanda Trader	P.O. Box 445	Beloit	KS	67420	The Agreement: Toshiba Maintained Free for a Lifetime (No. 1854)
Walters Flowers & Gifts	124 N. Main	El Dorado	KS	67042	The Agreement: Toshiba Maintained Free for a Lifetime (No. 2906)
Wells Group	656 N. Broadway	Salina	KS	67401	The Agreement: Toshiba Maintained Free for a Lifetime (No. 1966)
Western Beverage Inc.	301 E. Wyatt Earp	Dodge City	KS	67801	The Agreement: Toshiba Maintained Free for a Lifetime (No. 2968)
Westin Mission Hills Resort	Attn: Linda Vann 71333 Dinah Shore Drive	Rancho Mirage	CA	92270	Hotel Services
Winfield Country Club	Rt. 2 Country Club Road	Winfield	KS	67156	The Agreement: Toshiba Maintained Free for a Lifetime (No. 1614)
Zaroco, Inc.	718 East 1300 Road	Lawrence	KS	66046	The Agreement: Toshiba Maintained Free for a Lifetime (No. 1730)

SCHEDULE 4

TO

**THIRD AMENDED JOINT REORGANIZATION PLAN
OF BIRCH TELECOM, INC. AND ITS SUBSIDIARIES**

NON-EXCLUSIVE SCHEDULE OF RESERVED AVOIDANCE ACTIONS

Reserved Avoidance Actions

Named Party	Total Preference Period Payments
1601 Tower Properties, L.L.C.	\$10,824.00
1stel, Inc.	\$11.17
6070 Gateway East, LP	\$8,643.74
Aaron Spiegel	\$1,400.00
ABG Partnership Ltd.	\$40.05
Adams-Gabbert & Assoc. Inc.	\$14,080.00
Adtran, Inc	\$81,360.02
AEW/ McCord, LP	\$18,954.49
Affordable Car Carriers	\$75.00
AG Communications, Inc.	\$467.48
Agbri Commodore LP	\$7,362.12
Akins Ford Corp.	\$3,685.55
Alabama Power Company	\$502.55
Alabama Public Service Comm	\$3,374.83
Alagasco	\$68.86
Allen Samuels Dodge	\$1,386.22
Alliance Communications	\$505.97
Allied Waste Services	\$274.94
Alltel Communications Product	\$2,005.14
Alltel Communications Service	\$866.47
Alltel, Inc.	\$155,239.18
AMA Techtel Communications	\$55.93
AmerenUE	\$13,777.63
American Backflow	\$65.00
American Bar Association	\$310.00
American Express	\$172,235.38
American Fiber Network, Inc.	\$39.31
American Sentry	\$1,105.28
Americom Imaging Systems	\$169.82
Ameripride Service	\$268.78
Ameripride Services, Inc.	\$61.09
Ameritech - Illinois CABS	\$8,265.53
Ameritech Payphone Services	\$5,399.42
Amer-Stor, Inc.	\$1,646.88
Amresco Commercial Finance In.	\$92.38
Andrews TX	\$521.63
Antronix Distribution & Supply	\$1,875.36
APCC Services Inc	\$50,420.60
AP-Knight, LP	\$15,854.23
Arch Wireless Operating Co.	\$452.01
Ard, Inc.	\$122.59
Arizona Corporation Commission	\$45.00
Arkan. Int. Carrier Line Pool	\$3.00
Arkansas Intst Carrier Line	\$15.00
Armour Independent Telephone	\$183.99
Ascential Software Corporation	\$48,307.50
Ashley Oaks Properties, LLC	\$23,833.43
Associated General Contractors	\$1,425.33
Associates Solutions, Inc.	\$25,767.00
AT&T (TCG) Public Markets	\$882.28
ATIS	\$430.00
Atmos Energy	\$255.34
Atomz Corporation	\$315.00

Named Party	Total Preference Period Payments
Austin Independent Business	\$15.71
Aztec Capital, LLC	\$147.21
Bandwidth Exchange Bldgs. LLC	\$15,923.96
Bar Green Inc.	\$3,877.20
Baytown TX	\$1,382.33
BCE Conferencing	\$9,838.35
Bek Communications Cooperative	\$263.43
Ben E. Wiggins	\$640.28
Bestline Communications, LP	\$56.90
BGM Industries, Inc	\$1,276.96
Big River Telephone Company	\$422.15
Bill Rosen	\$3,418.75
Birdell Robinson	\$2,650.00
BlackBerry	\$1,500.00
Blaklee Jones-Kelley	\$204.02
Blossom Telephone Company	\$13.65
Bluestem Farm & Ranch Supply	\$66.71
Bluevista Phone Service-Spruce	\$63.25
Board of Public Utilities	\$1,813.58
Bob Newman	\$40.53
Bonham TX	\$509.15
Bostech Services, Inc.	\$119.08
Bradley K. Schlmmel	\$465.80
Brandon M. Harpold	\$320.00
Brazos Telephone Cooperative	\$44.67
Brian Kasarjian	\$157.17
Brian Mayfield	\$183.96
Bridgewater-Canistota Tel Co.	\$514.74
Broadlink Telecom	\$66.79
Brocato's Auto Repair LLC	\$691.40
Brookings Municipal Utilities	\$4,775.77
Bruno Family Real Estate	\$17,441.30
Bullseye Telecom Inc.	\$20.79
Business Telephone Co., Inc.	\$401.15
C. T. Godwin	\$5,921.50
C.O.T.P.A. (Parking Division)	\$661.08
Cali Schelling	\$890.00
California Secretary of State	\$25.00
Callwave, Inc	\$189.60
Canadian Valley Telephone	\$26.01
Capital 4 Outsourcing - TX	\$81.53
Capital Telecommunications Inc	\$113.73
CareerBuilder, Inc.	\$1,999.99
Carnegie Telephone Company	\$79.97
Carol Wilson	\$408.77
Carolina Business Comm., Inc.	\$4,141.48
Cassandra Wood	\$828.13
Cathy A. Banks	\$110.02
Cbeyond Communications of TX	\$753.89
CCA Financial, Inc	\$43,716.33
CCI - 16055, LTD	\$5,263.04
Cejan Autobody Repair	\$89.83
CenterPoint Energy	\$61.48
Central Detroit Diesel-Allison	\$1,940.52
Central States Recovery, Inc	\$558.27

Named Party	Total Preference Period Payments
Centrifuge, LLC	\$38,850.00
Centriq, LLC	\$4,666.64
Centris	\$3,587.43
Charlotte Chamber	\$486.00
Charter Fiberlink	\$176.77
Cherokee Telephone Company	\$10.01
Chester Press	\$1,621.38
Chicago Title Insurance Company	\$5,700.00
Chrls Cagle	\$1,240.49
Chris Gianakos	\$360.62
Chris Lee	\$689.13
Cincinnati Bell Public Comm	\$346.30
Cintas Corporation	\$2,528.37
Cintas Document Management	\$934.00
Citizens Telephone Company	\$37.62
Citizen's Utility Ratepayer's	\$1,238.27
City National Bank	\$19,577.49
City of Abilene, TX	\$7,793.89
City of Ada, OK	\$1,928.02
City of Addison, TX	\$5,290.96
City of Aledo, Tx	\$625.32
City of Alice, TX	\$1,832.54
City of Allen, TX	\$910.80
City of Alvin, Tx	\$2,269.08
City of Amarillo, TX	\$6,288.46
City of Angleton, TX	\$640.50
City of Ardmore, OK	\$347.35
City of Arlington, TX	\$95,686.83
City of Atlanta, TX	\$648.89
City of Austin, TX	\$140,869.17
City of Balch Springs, TX	\$781.00
City of Beaumont, TX	\$10,817.77
City of Bedford, TX	\$6,214.32
City of Beeville, TX	\$603.73
City of Bellaire, TX	\$959.81
City of Belton, TX	\$1,105.14
City of Benbrook, TX	\$644.95
City of Big Spring, TX	\$1,668.52
City of Breckenridge, TX	\$554.19
City of Brenham, TX	\$1,947.00
City of Bridge City, TX	\$578.68
City of Brownsville, TX	\$8,145.77
City of Burleson, TX	\$3,554.60
City of Carrollton, TX	\$3,312.43
City of Carthage, TX	\$1,543.56
City of Castle Hills, TX	\$810.32
City of Cedar Hill, TX	\$2,253.07
City of Cedar Park, TX	\$520.19
City of Center, TX	\$613.56
City of Cleburne, TX	\$2,195.85
City of Colleyville, TX	\$1,842.61
City of Colorado City, TX	\$1,492.26
City of Columbus, TX	\$1,993.95
City of Corpus Christi, TX	\$64,339.96
City of Corsicana, TX	\$1,727.88

Named Party	Total Preference Period Payments
City of Crowley, TX	\$900.50
City of Dallas, TX	\$238,578.03
City of Deer Park, TX	\$975.42
City of DeSoto, TX	\$2,814.04
City of Donna, TX	\$554.75
City of Duncanville, TX	\$2,789.44
City of Edinburg, TX	\$1,915.49
City of El Paso, TX	\$94,277.52
City of Elgin, TX	\$598.62
City of Enid, OK	\$1,784.89
City of Ennis Tax Assessor	\$7.90
City of Ennis, TX	\$1,478.36
City of Euless, TX	\$6,561.85
City of Farmers Branch, TX	\$8,430.34
City of Floydada, TX	\$547.50
City of Forest Hill, TX	\$1,170.95
City of Forney, TX	\$854.00
City of Fort Stockton, TX	\$872.19
City of Fort Worth, TX	\$80,085.10
City of Friendswood, TX	\$1,018.40
City of Frisco, TX	\$2,191.08
City of Galveston, TX	\$9,241.08
City of Garland, TX	\$8,016.58
City of Georgetown, TX	\$603.77
City of Graham, TX	\$880.32
City of Granbury, TX	\$1,194.06
City of Grand Prairie, TX	\$13,052.20
City of Greenville, TX	\$2,171.40
City of Groves, TX	\$686.20
City of Haltom City, TX	\$3,867.06
City of Harlingen, TX	\$2,468.56
City of Hereford, TX	\$1,113.88
City of Hewitt, TX	\$1,504.54
City of Hillsboro, TX	\$864.64
City of Houston, TX	\$453,605.76
City of Humble, TX	\$613.16
City of Huntsville, TX	\$1,562.10
City of Hurst, TX	\$10,327.32
City of Irving, TX	\$3,260.34
City of Jacinto City, TX	\$525.53
City of Jasper, TX	\$294.69
City of Jefferson, TX	\$814.32
City of Jersey Village, TX	\$582.09
City of Katy, TX	\$876.90
City of Keller, TX	\$583.28
City of Kennedale, TX	\$670.92
City of Kermit, TX	\$1,468.80
City of Kilgore, TX	\$1,037.60
City of Kingsville, TX	\$1,236.96
City of La Porte, TX	\$2,168.63
City of Lampasas, TX	\$1,109.36
City of Lancaster, TX	\$1,218.28
City of Laredo, TX	\$25,816.05
City of Lockhart, TX	\$510.72
City of Longview Finance	\$9,116.22

Named Party	Total Preference Period Payments
City of Lubbock, TX	\$18,015.87
City of Lumberton, TX	\$669.80
City of Magnolia, TX	\$1,045.51
City of Mansfield, TX	\$6,105.80
City of Marlin, TX	\$1,091.86
City of Marshall, TX	\$2,123.67
City of McAllen, TX	\$7,513.21
City of McGregor, TX	\$608.96
City of McKinney, TX	\$5,349.28
City of Mesquite, TX	\$6,650.48
City of Mexia, TX	\$1,354.37
City of Midland, TX	\$18,690.84
City of Midlothian, TX	\$782.23
City of Mission, TX	\$1,555.94
City of Missouri City, TX	\$534.30
City of Monahans, TX	\$1,866.84
City of Mount Pleasant, TX	\$1,278.78
City of Muskogee, OK	\$1,206.94
City of Nacogdoches, TX	\$1,657.98
City of Nederland, TX	\$1,942.00
City of New Braunfels, TX	\$1,607.33
City of North Richland Hill, TX	\$5,679.92
City of Odessa, TX	\$17,024.35
City of Orange, TX	\$3,706.50
City of Pantego, TX	\$1,666.02
City of Paris, TX	\$1,746.24
City of Pasadena, TX	\$11,682.99
City of Pearland, TX	\$1,117.20
City of Pharr, TX	\$2,028.87
City of Pittsburg, TX	\$2,055.21
City of Plainview, TX	\$791.65
City of Plano, TX	\$7,493.26
City of Port Arthur, TX	\$3,759.44
City of Port Isabel, TX	\$520.80
City of Port Neches, TX	\$531.00
City of Richardson, TX	\$10,563.35
City of Richland Hills, TX	\$1,339.02
City of Richmond, TX	\$3,632.99
City of Roanoke, TX	\$666.42
City of Rockdale, TX	\$644.96
City of Rockwall, TX	\$3,104.88
City of Rollingwood, TX	\$1,146.36
City of Rosenberg, TX	\$2,513.78
City of Round Rock, TX	\$4,033.80
City of Saginaw, TX	\$991.86
City of San Antonio, TX	\$95,653.70
City of Sand Springs, OK	\$892.95
City of Seabrook, TX	\$1,039.36
City of Seguin, TX	\$1,301.67
City of Seminole, TX	\$1,868.25
City of Snyder, TX	\$1,516.50
City of Stafford, TX	\$589.96
City of Stillwater, OK	\$670.12
City of Sweetwater, TX	\$1,824.90
City of Taylor, TX	\$966.45

Named Party	Total Preference Period Payments
City of Teague, TX	\$564.54
City of Temple, TX	\$4,693.76
City of Terrell, TX	\$1,371.60
City of Texas City, TX	\$2,579.95
City of the Colony, TX	\$682.06
City of Tomball, TX	\$7,149.28
City of Tyler, TX	\$23,406.38
City of Universal City, TX	\$933.74
City of University Park, TX	\$816.42
City of Vernon, TX	\$502.83
City of Victoria, TX	\$2,795.10
City of Vidor, TX	\$1,662.00
City of Waco, TX	\$34,972.48
City of Watauga, TX	\$1,599.70
City of Waxahachie, TX	\$1,537.63
City of Weatherford, TX	\$1,621.38
City of Webster, TX	\$1,005.37
City of West, TX	\$768.90
City of Wharton, TX	\$861.36
City of Wichita Falls, TX	\$5,100.81
Clarke Power Services, Inc.	\$1,070.00
Classic Vending & Coffee	\$2,110.67
Clear Creek County Treasurer	\$65.47
CNA Surety	\$100.00
College Station TX	\$747.40
Collinsville City OK	\$412.94
Colonnade Realty Holdings L.P.	\$12,956.76
Colorado Public Utilities Comm	\$2,060.85
Colorado PUC Low Inc Fund #251	\$235.92
Comcast Phone of TX LLC	\$107.03
CommSouth	\$23.77
Communication PowerSystem-CPSI	\$20,880.09
Communication Wiring Solutions	\$865.00
Competitive Carriers of South	\$10,000.00
Computer Toolz, LLC	\$74.82
Connect Paging Inc.	\$18.01
Contractor's Mechanical, Inc.	\$4,002.09
Corporate Tower LLC	\$17,045.21
Coverall of Houston	\$514.80
Cox Com, Inc.	\$1,991.44
Cozad Telephone Company	\$11.38
CPL Retail Energy, LP	\$10,915.35
Craw-Kan Telephone Coop	\$55.89
Critical Path, Inc.	\$525.00
Cross Telephone Company	\$60.28
CT Properties	\$7,153.50
CTE	\$262.50
CTSI - Stillwater	\$23.89
Culligan Water Cond.-Fenton, MO	\$21.20
Cumby Telephone Coop, Inc.	\$65.50
Cunningham Telephone Co Inc	\$214.08
Cust-O-Fab Service Company	\$45.00
D A. Comp Consulting, Inc.	\$907.48
Dallas County Tax Assessor	\$24.85
Dana Panasuk	\$564.81

Named Party	Total Preference Period Payments
Daniel English	\$7.31
Data Net Systems LLC/IPP Escrow Trust Account	\$1,393.57
Data Source Media	\$1,726.99
David Shields	\$526.09
Deffenbaugh Disposal Service	\$91.60
Del City OK	\$263.88
DeLaSalle Education Center	\$4,756.50
Delaware Secretary of State	\$56,715.00
Dell Marketing L.P.	\$5,527.50
Delta Dental	\$133,123.26
Delta Dental of Missouri	\$9,687.60
Deluxe Business Forms & Suppls	\$749.47
Denton TX	\$2,917.65
Direct Messenger Service	\$4,459.07
Donald Franco	\$115.13
Double T Enterprises	\$116.00
Douglas Hood	\$230.68
DP Electronics, Inc.	\$2,301.31
DST Realty Inc.	\$339,503.00
Dynamic Recovery Services Inc	\$125.12
e Cashflow Systems	\$838.55
Eagle Lake TX	\$652.07
East Montgomery, L.L.C.	\$1,825.00
Eastern Shore Chamber of Comm	\$191.00
Eastex Telephone Coop., Inc.	\$97.96
Ed Schram Dodge Inc	\$55.88
Edward Gibson	\$196.88
Egyptian Telephone Coop Assn	\$62.45
El Paso County Treasurer	\$834.65
Ell-Saline Unified School Dist	\$1,246.32
EMG Communications	\$13,640.65
Emory TX	\$501.00
Employer Medical Services	\$54.14
Emporia Motors Inc	\$411.26
Emporia Printing	\$768.96
Endowment & Foundation Realty	\$5,989.61
Enid OK	\$273.62
Equant Inc.	\$16,118.00
Equifax Information Svcs, LLC	\$1,422.96
Equipment Management Services	\$19.26
Erby P. Leible	\$2,154.86
Ernest A. Ford	\$4,537.72
Eschelon Telecom, Inc.	\$14.76
ETS Payphone, Inc.	\$32.11
Eufaula OK	\$164.86
EUR Systems	\$312.50
Excel Telecommunications, Inc.	\$227.98
Express Business Services	\$596.92
Express Communications Supply	\$802.23
Express Personnel Services Inc	\$13,596.12
Express Telephone Services	\$91.19
ExpressBill, Inc.	\$2,025.84
F&A Realty Amarillo, Ltd.	\$4,573.72
Fastpro International, Inc.	\$1,145.12
Federal Communications Bar Asn	\$125.00

Named Party	Total Preference Period Payments
FedEx Freight East	\$2,224.73
Fidelity Telephone Co.	\$134.73
First Choice Telemanagement	\$7,727.16
First Industrial, L. P.	\$11,245.54
First Telecom Group, Inc.	\$366.38
Fishbones, Inc. - A Texas Corp	\$54.69
Fisher, Judith R.	\$2,412.33
Fleet Fueling	\$63,276.67
For 1031 Regents LLC	\$3,587.28
Foremost Telecommunications	\$62.19
Forrestl Howard	\$549.28
Fort Randall Telephone Company	\$1,228.03
Foss Training and Consulting	\$995.00
Frank L. Traver	\$222.05
Fredrick Harlow	\$501.33
Freeman, Trent C.	\$2,362.50
Frey Carpet & Furnishings Care	\$940.00
Frontier - A Citizens Comm Co.	\$1,264.11
Frontier Communications of MN	\$9,582.91
Fry-Wagner Moving & Storage	\$18,633.61
FSH Communications	\$4,802.67
Ganado Telephone Co.	\$18.35
Garden Valley Telephone Co.	\$0.49
Garden Valley Telephone Co.	\$343.60
Garry Mize	\$156.79
Gary Ferguson	\$237.96
Gary S. Howard	\$5,062.50
GCB Communications dba Pacific	\$255.39
GCEC Technologies	\$104.82
GE Capital	\$128.67
Genisys Group Inc	\$66,626.82
Geo. E. Fern Co.	\$325.59
Geo. Groh and Sons, Inc.	\$683.84
Gerald Schumann Electric Inc	\$917.30
G-Five Corporation	\$1,373.32
Gid R Johnson Family Real	\$1,910.00
Gisick, Michael	\$164.01
Global Crossing	\$712.87
Golden Belt Telephone	\$46.18
Golden West Telecommunications	\$363.76
Gonzales TX	\$664.00
Grand Centre LLC	\$4,980.72
Grand River	\$84.11
Granite Properties/NWX Partner	\$10,826.20
Grapevine, TX	\$1,240.36
Graybar Financial	\$787.46
Great America Leasing Corp.	\$1,865.66
Great Plains Communications	\$726.66
Green Hills Telephone Co.	\$15.05
Gregory F. X. Daly	\$150.00
Guest & Associates P.C.	\$20.00
Gulf Coast Teleco	\$2,180.54
H & B Communications	\$19.48
Haberberger, Inc	\$927.67
Habla Comunicaciones	\$106.79

Named Party	Total Preference Period Payments
Hall's Culligan - Wichita	\$21.26
Hamilton Long Distance	\$2.47
Harris & Son Trash Recycling	\$70.00
Harrisonville Telephone Co	\$426.86
Haviland Telephone	\$495.59
Hearn, TX	\$1,093.65
Heartland Telecomm Co of Iowa	\$285.75
Henry A Ganzalez	\$3,966.07
Henry Communications	\$11.33
Hershey Coop Telephone Co.	\$20.50
Hidalgo TX	\$522.00
Highland Park, TX	\$169.65
Highwoods Realty LP	\$1,161.83
Highwoods Realty, LP	\$17,265.74
Hills Telephone Company	\$21.29
Hitec Communications	\$13.28
Home Telephone Co	\$191.76
Hometown Solutions	\$11.79
Hot Jobs	\$3,372.00
House of Real Estate	\$700.00
Houston Independent School Dis	\$784.47
HQ Global Workplaces	\$95,599.97
IBM Corporation	\$3,735.62
ICG Communications	\$205.44
Icon Properties-PlainviewPlace	\$12,802.38
Ikano Communications, Inc.	\$4,992.00
Ikon Office Solutions	\$3,228.43
Independent Neca Services	\$122,499.36
Innovative Technology Solution	\$2,136.00
InSite El Paso (Overland) LP	\$5,175.43
InSite Fountainview, L.P.	\$35,268.99
Institute of Psychorientology	\$500.00
Integra Telecom	\$20.33
International Communications	\$14,422.00
Interstate North Office Park	\$457.57
Interstate Tele-com Coop, Inc.	\$2,196.00
Intrust Card Center	\$20.00
Investigative Solutions	\$4,289.50
Iowa Network Services	\$977.22
Iowa State Bar Assn.	\$125.00
Iowa Telecom	\$258.68
IQC, LLC dba CNB Communication	\$49.23
Jack E. Mills, Partner	\$1,000.00
Jacksboro Public Library	\$308.03
Janet Shuey	\$8,470.00
Javelli, John	\$187.67
Jeffrey A. Sapinsley	\$158.58
Jeffrey P. Bielicki	\$34.63
Jenks City, OK	\$664.52
Jeremy D. Wells	\$280.00
Jerry Cheek	\$207.64
JK Enterprises LLC	\$303.69
JMZ Associates	\$37,913.82
Joel Tassiello	\$1,458.54
John Bergman	\$127.25

Named Party	Total Preference Period Payments
John Fittell	\$234.78
John W Tull, Jr.	\$16,021.61
John W. Jones	\$52.08
Johnson County Treasurer	\$3.00
Joshua Aaron Kvas	\$45.00
K.C. Partners	\$54,010.32
Kalyanam Ramesh	\$1,637.47
Kansas - Division of Purchases	\$974.56
Kansas Gas Service	\$2,332.80
Kansas Rest & Hosp. Assn.	\$4,450.78
Kansas Turnpike Authority	\$510.64
KB Fund VI	\$11,037.57
Kejr, Larry	\$8,828.22
Keller Fire & Safety, Inc.	\$2,688.58
Kelly Alley dba The Fone Man	\$8,103.86
Ken Sparks	\$330.00
Kenneth Copeland	\$125.00
Kenton Brothers, Inc.	\$74.50
Kerry Pollard	\$363.90
Kevin Johnson	\$117.78
Kevin T. Shireman	\$525.00
Key Corporate Capital Inc.	\$3,879.83
Key People Company Inc	\$420.00
Koger Equity, Inc.	\$45,883.00
KONE	\$127.55
Konstantinos A. Kopules	\$124.47
Kristina Lynn Davies	\$497.08
Kross Office Outfitters	\$1,019.10
Kurt Holmes	\$240.76
L.A. Weight Loss	\$420.28
Laclede Gas Company	\$565.94
Lake County Communications	\$12.85
Lan-Com Technologies, Inc	\$814.68
LandShapes INC	\$541.00
Laredo Communications	\$12.50
Lathrop Telephone Company	\$227.52
Lavaca Telephone Company	\$10.54
Leading Edge Communication	\$331.36
Lee Ann Heise	\$24,968.00
Lenox Park Building D Partners	\$6,443.92
Level 3 Communications, LLC	\$33,579.00
Levitt Enterprises, Inc.	\$17,500.00
Lewisville TX	\$1,353.76
Lightyear Communications	\$28.63
Lincoln Champion Investors, LP	\$20,381.56
Local Phone Services, Inc.	\$174.75
Logix Communications Corp.	\$21.31
Looking Glass Networks	\$51,855.45
Lord's Computer Group Partners	\$16,633.88
Love Box Co.	\$5,243.05
Lyndy Boyd	\$257.26
Madison Telephone Company	\$246.55
Madisonville TX	\$1,503.56
Maid of Honor, Inc	\$591.05
Mail Print, Inc	\$70,045.31

Named Party	Total Preference Period Payments
Mapleton Comm Management Co	\$96.22
Mark Ditta	\$2,625.00
Mark Wood	\$2,200.53
Market Centre	\$2,666.66
Marriot	\$3,700.00
Mary Carol Hasty	\$977.50
Max Gregory Munder	\$100.00
MC Lioness Realty Group LLC	\$91,660.46
McCarthy, Burgess & Wolff	\$2,297.90
McCormack-Payton Storage	\$17,419.62
MCI	\$1,001,731.96
McKinzie Pest Control	\$255.97
McKnight Investment	\$11,591.72
MCR Partners	\$76,749.50
Medicine Park Telephone Co.	\$13.41
Melissa Garza	\$59.40
Metavante Corporation	\$16,777.34
Metro St. Louis Sewer District	\$244.53
Metro Tech Service Corp.	\$150.00
Metrocall	\$344.71
Metrocall Wireless	\$580.45
MetTel Clearing Services	\$214.40
Michael P. Couch	\$288.59
Mid America Computer Corp.	\$16,296.02
Mid-America Telephone Company	\$22.68
Mid-Cities Office	\$18,466.93
Mid-Cities Office Systems, Inc	\$24,612.82
Midcontinent Communications	\$1,826.01
Mid-Missouri Telephone Company	\$11.47
Midstate Communications-SD	\$11.28
Midwest Locksmiths, Inc.	\$3.20
Midwest Mechanical Ser.Inc	\$16,559.32
Midwest Waste	\$135.71
Mike Farmer	\$22.95
Missouri Network Alliance	\$21,878.24
Missouri Notary Service and	\$69.90
Missouri Valley Communications	\$125.76
Missouri-American Water Co.	\$180.65
Mobile Area Chamber of Commere	\$348.50
Modern Air Conditioning	\$5,304.64
MoKan Dial Telephone Company	\$173.39
Monster Worldwide, Inc.	\$13,500.00
Moses Garcia	\$508.47
MoUSF Administrator	\$6,688.92
Mukesh Nagpal	\$25,682.21
Mustang OK	\$192.17
Mutual Telephone Company	\$190.31
Names4Ever	\$66.96
National Building Systems	\$50.00
National Emergency Number Assn	\$400.00
National Teachers Hall of Fame	\$10,513.21
Navigator Telecommunications	\$463.72
NC Dept Commerce / Utilities	\$2,989.55
NE Tech & Telecommunications	\$618.55
Nebraska Central Telephone Co.	\$37.20

Named Party	Total Preference Period Payments
NEC Unified Solutions, Inc.	\$46,695.99
NECA KUSF	\$162,402.97
NECA OKUSF	\$5,666.26
NECA TXUSF	\$645,722.25
Nevada Public Utilities Comm	\$100.00
New Access Communications	\$10.13
New Edge Networks	\$37,997.05
New London Telephone Company	\$18.28
New York Access Billing, LLC	\$2,814.40
Nextel Communications	\$58,979.67
Nick Igbokwe Jr.	\$115.81
NII Communications	\$3,173.95
Ninnekah City, OK	\$12.40
North Crest Inc.	\$4,719.00
North Dakota Telephone	\$1,500.63
North Star Dodge Sales, Inc	\$1,017.99
North Texas Telephone	\$10.60
North Texas Tollway Authority	\$407.05
Northeast Missouri Rural Tele	\$16.25
Northeast Nebraska Telephone	\$171.29
Northern Iowa Telephone Co.	\$162.04
Northern Valley Communications	\$606.08
Northwest Metroport Chamber	\$385.90
Northwest Telecommunications	\$9.67
Nowotny Consulting Inc.	\$9,600.00
NTS Com. Term 841570	\$646.43
NuVox Communications Inc.	\$1,305.28
Odysoft, Inc.	\$2,258.27
Oklahoma City Treasurer	\$22,839.71
Oklahoma Communication Systems	\$256.88
Oklahoma High Cost Fund	\$16,739.00
Oklahoma Telephone & Telegraph	\$41.35
Ola Ayekuusibe	\$681.85
Olden Williams	\$1,150.00
One Corporate Centre	\$22,648.50
O'Neal Electric Service, Inc.	\$5,414.00
Orbitcom, Inc., fka VP Telecom	\$651.30
Orchard Farm Telephone Company	\$11.50
Ozarka Natural Spring Water	\$62.62
Pacer Service Center	\$772.08
Pacific Bell	\$2,482.35
Panhandle Telephone Coop	\$52.29
Parfinco TX, LLC	\$4,337.33
Parking Management Division	\$50.00
Pathwayz Communications	\$77.72
Patriot Building Corp.	\$4,790.30
Paul Bunyan Rural Telephone	\$29.85
Paul E. Duplantis	\$12.80
Paul Revere Square Prof. Bldg.	\$1,375.00
Payphone Management	\$15.81
Peoples Telephone Cooperative	\$33.87
Perry City OK	\$58.40
PharmaCare Management Services	\$164,648.25
Philip McKibbin	\$961.34
Phillip Curtis	\$906.20

Named Party	Total Preference Period Payments
PICS Telecom Corporation	\$20,311.55
Pierce Leahy Corp.	\$836.00
Pierremont Off. Park III LLC	\$5,074.51
Pikepass	\$92.01
Pitney Bowes Credit Corp-KY	\$23,585.31
PJS Midland, Ltd	\$1,794.66
Polar Telecommunications	\$34.84
Popp Telecom	\$10.44
Postage by Phone-Reserve Acct.	\$5,000.00
Postmaster KC	\$209.00
Postmaster - Emporia	\$2,125.00
Potter County Tax Assessor	\$28.55
Prairie Stream Communications	\$178.36
Prairiewave Community Tel	\$501.92
Price Truck Line, Inc.	\$1,538.92
Private Payphone Owners Networ	\$4,842.69
ProData Computer Services, Inc	\$295.00
Professional Management of	\$235.00
Professional Printing	\$75.00
Prominent Northpoint, LP	\$10,321.39
Promontory Point	\$2,601.87
Prose, Inc.	\$60,534.16
Prostaff	\$17,395.01
Pure Health Solution Inc.	\$189.75
Quick-Tel Communications Inc.	\$81.46
RAK Main Place Associates, LP	\$20,166.17
Rashesh Rangrej	\$964.46
Rayce B. West II	\$21.93
Raymond P. White	\$279.09
RDO Cleaning Concepts, LLC	\$1,486.00
Reliant Energy	\$1,083.11
Republic Waste Services	\$240.91
Reservation Telephone	\$135.10
Rhode Island Secretary State	\$175.00
Richmond Plaza, LP	\$10,064.07
Robert C. Springer	\$255.00
Robert H. Uhl	\$456.25
Robert Rogers	\$599.65
Rock Gray	\$19.65
Rock of Life Church	\$300.00
Rodney Peterson	\$61.09
Ron Chiles	\$102.87
Ron Hughes	\$56.51
Ronald Leggett, Coll of Rev	\$2,027.40
Rooks County Treasurer	\$115.38
Rosebud Telephone	\$347.09
Rotan TX	\$560.28
Roto Rooter Services CO	\$99.95
Rottler Pest Control	\$105.00
Routt County Treasurer	\$16.26
Roy Young	\$277.50
Runestone Telephone Assoc	\$36.34
Rutherford County Chamber	\$354.00
S.A.M. Cleaning	\$12,770.00
Sage Telecom	\$1,366.32

Named Party	Total Preference Period Payments
Saginaw Area Chamber of Comm	\$185.00
Sammy L. Condra	\$254.13
San Angelo TX	\$2,310.62
Sand Springs OK	\$275.43
Sandstone Executive Plaza LP	\$1,777.60
Sandy Patton	\$450.00
Santel Communications Coop	\$313.15
SBP Nashville LLC	\$12,050.50
SC Office of Regulatory Staff	\$42,356.08
Scheer Plumbing	\$96.91
Scheller's	\$42.72
Scott Tajchman	\$1,685.00
Second Century Communications	\$1,833.96
Secretary at Law	\$314.40
Secretary of State - Arkansas	\$25.08
Secretary of State - LA	\$25.00
Secretary of State - SD	\$30.00
Secretary of State - TX	\$400.00
Secretary of State-IL	\$207.00
Security National Partners #2	\$22,312.50
Servpro of Central Alabama	\$53.75
Seventy NE Loop 410 Invest LP	\$14,934.80
Shayne Davenport	\$170.75
Shelly Bengston	\$341.96
Sher Care Corporation	\$12,480.91
Sherman TX	\$655.08
Sherry Jenny	\$182.94
Shidler Telephone Company	\$11.54
ShredUSA	\$390.00
Sioux Valley Telephone Co.	\$854.48
SKT Dalton Telephone Company	\$356.59
Smith, Sandy	\$12.50
SMS Systems Maintenance Serv.	\$5,042.08
SMS/800 Management Team	\$16,262.58
Sodexo Marriott Services	\$152.94
Solarcom LLC	\$130,351.13
South Central Wireless	\$194.47
South Padre Island TX	\$712.25
Southeast Saline USD 306	\$101.86
Southern Telcom Network Inc.	\$30.99
Southlake TX	\$686.89
Sparkletts	\$48.10
Specialized Transportation Inc	\$2,501.70
Spectra Communications Group	\$3,732.19
Spencer Reed Group, Inc.	\$18,500.00
Spicers Paper, Inc.	\$3,364.70
Splitrock Properties	\$226.24
Sprint	\$127.74
Sprint - Local	\$80,159.46
Sprint - NEAC	\$222.63
Sprint (Wholesale)	\$6,148.70
Sprint North Supply	\$37,268.70
Sprint Pay Phone Services, Inc	\$8,099.13
Sprint/Local Telecommunication	\$24,947.25
SRT Communications	\$462.35

Named Party	Total Preference Period Payments
SSPS, Inc	\$580.50
St. Louis County Gross Receipt	\$3,589.46
St. Marks Lutheran Church	\$300.00
St. Paul Property, Inc.	\$1,534.42
Standard Parking	\$51,154.40
Stanton Telecom, Inc.	\$81.72
Staples	\$1,065.44
State of Louisiana Treasury	\$241.18
Stephenson Electric Co.	\$145.00
Steven A. Smith	\$202.53
Stillman Maxon	\$158.22
Strahm Automation	\$19,943.91
T D Madison and Associates	\$54,270.50
Tapco Products	\$522.86
Tarkington Indep. School Dist.	\$3,388.72
Telcom Products Int'l	\$3,074.99
Teleco of Augusta	\$1,375.80
Teleco Springfield	\$284.90
Tele-Interpreters	\$1,284.36
Telephone Solutions	\$10,122.50
Teller County Treasurer	\$128.71
TelPlus Communications	\$173.21
TelSystem 47	\$2,032.81
Terminix International	\$151.56
Terral Telephone Company	\$14.54
Terry Maxfield	\$6,872.00
Texarkana TX	\$510.64
Texas Arbitration Mediation	\$800.00
Texas Dept. of Transportation	\$2.00
Texas Gas Svc - Southern Union	\$38.34
The Arnold Group - Olsten Staf	\$18,888.54
The Atrium Partnership	\$50,253.35
The Hertz Corporation	\$163.43
The Law Company, Inc.	\$6,794.16
The Pager Company	\$562.06
The UPS Store	\$180.00
Thomas Electric, Inc.	\$125.00
Thomas Transfer & Storage Co	\$6,311.00
Thomas Van Arsdale	\$90.56
Three River Communications	\$62.52
Time Warner Telecom - IL	\$110,367.10
TMP Worldwide	\$12,419.01
Toshiba - 116200	\$18,002.28
Trans Union LLC	\$362.89
Transitions Group Inc.	\$3,599.00
Trevor Warner	\$1,350.70
Tri-County Telephone Co.	\$60.40
Trimont Real Estate Advisors	\$40,332.34
Trinsic Communications, Inc.	\$92.72
Troy Indep School District	\$7,961.71
Tr-State Payphone	\$0.49
TSO, Inc.	\$93.50
Turtle Mountain Communications	\$652.60
TWG Consulting Inc.	\$59,910.00
TXU Communications	\$265.71

Named Party	Total Preference Period Payments
TXU-Electric	\$7,579.11
Ukejuh, Isaac	\$131.49
Union Telephone Company	\$246.93
Unipoint Holdings	\$42,521.07
Unisource Document Products	\$1,244.02
United Mechanical Service, Inc	\$322.00
United Parcel Service - NV	\$53,739.08
United Telephone Assn.	\$3,700.02
United Telephone Mutual Aid	\$604.09
United Way of Flint Hills	\$3,691.74
United Way Salina Area	\$35.00
Universal Service Admin. Co.	\$1,000,839.40
Universal Voice/Data	\$6,762.91
Unruh Automotive	\$140.00
UPS Store, The	\$92.45
US Bancorp Office Equipment	\$609.09
US Link	\$36.66
Valley Telco Coop Assn	\$54.35
Valliant Telephone Company	\$54.57
Valor Telecommunications	\$48,726.73
Vartec Telecom Inc.	\$179.12
Verilink Corp.	\$200,000.00
Verizon	\$273,537.28
Verizon Communications Inc.	\$13,365.66
Victory Lighting Services, Inc	\$365.29
ViryaNet	\$35,000.00
Vivian Telephone Company	\$2,306.89
Waste Management Longhorn	\$235.41
Waste Management-Lewisville	\$571.46
Waste Mgmt of St. Louis	\$329.84
Water Works & Sanitation Board	\$28.00
Watts Up Lighting	\$58.93
Weld County Treasurer	\$77.86
Wells Fargo Financial Leasing	\$759.68
West Iowa Telephone Company	\$608.91
West Orange-Cove Cons School	\$6,670.29
West River Cooperative	\$323.52
West River Telecommunications	\$643.85
Westar Energy	\$38,176.06
Westel, Inc-TX	\$234.59
Western Iowa Telephone Assoc.	\$88.00
Wes-Tex Telecommunications	\$33.76
Wheat State Telephone	\$390.16
Wichita KS	\$49,194.78
Wildcat, Inc. Property Mgmt.	\$1,600.00
William M. Helmer	\$316.49
Williams Communications	\$107,420.50
Wilson Plaza Assoc., LP	\$10,142.76
Wilson Telephone Co.	\$220.90
WilTel Communications, L.L.C.	\$325,019.44
Windshield Specialist	\$184.02
Wonderlic, Inc.	\$1,199.25
Woodward City, OK	\$363.80
Wyandotte Telephone Company	\$13.15
Wyoming Public Service Commisn	\$5.00

Named Party	Total Preference Period Payments
Wyoming Universal Service Fund	\$16.28
Xerox Corp	\$30,453.87
Zekeri A. Momodu	\$275.41
Zouire, LLC	\$15,142.90

SCHEDULE 5

TO

**THIRD AMENDED JOINT REORGANIZATION PLAN
OF BIRCH TELECOM, INC. AND ITS SUBSIDIARIES**

NON-EXCLUSIVE SCHEDULE OF KEY PARTIES

SCHEDULE 5

Non-Exclusive Schedule of Key Parties

Ace*Comm
AT&T
Broadwing Communications LLC
CIENA Communications Inc.
Consolidated Communications Operator Services, Inc.
Dynavar Corporation
Fair Isaac Corporation
Grande Communications Networks, Inc.
Iron Mountain Information Management, Inc.
Keith L. Anderson d/b/a Northrock Business Park
Lucent Technologies Inc.
MCI Communications Services, Inc. d/b/a Verizon Business Services
McGregor Interests Freeway, LLC
McLeod USA, Incorporated
NeuStar, Inc.
NTT Communications (f/k/a Verio Inc.)
Positive Networks, Inc.
Qwest Communications Corporation
Qwest Corporation
Receivable Management Services
SalesNet, Inc.
South Dakota Network, LLC
Software Plus
Speedpay, Inc.
Telcove, Inc.
UDP
VeriSign, Inc.
Voice Log, LLC